FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Algerian embassy bomb attacks

Bombs were planted at Algeria's embassies in London, Bonn and Rome by a group calling itself "Soldiers of the Algerian Opposition" which said they were the start of a campaign to bring down the régime of President Boumedienne.

In Rome, an explosion shattered windows and damaged a car, but there were no injuries. The bombs in London and Bonn were defused.

London news agencies received a phone call from a Major Aknal, who warned that more attacks were on the way. He said his group was led by Colonel Ben Hanouman, but would give no other details.

Labour in news agency talks

The Labour Party's attempt to prevent the distribution of its printed news handouts to the Birmingham Post and Evening Mail, where 250 journalists have been in dispute for the past six weeks, will be discussed at talks to-day between Mr. Percy Clark, publicity director, and Mr. David Chipp, Press Association editor-in-chief. News Analysis, Page 8

225 to win

Australia, set to score 445 to beat England in the second innings of the Third Test, fought back to start the final day to-day at 220 for three. It was the most entertaining day of the match, says Trevor Bailey, Page 2

Four drowned

A father drowned in a vain bid to save his 11-year-old daughter off Camber Sands, Sussex. The girl's uncle, who had rescued her sister, also drowned. A holidaymaker died while swimming off Hemsby, Norfolk—the second drowning at the resort in ten days.

Bail plea fails

Making a seventh unsuccessful plea for bail on behalf of Mr. John Stonehouse, his solicitor told Bow Street Court that preparations for the MP's defence on charges of theft, forgery and fraud were hampered by the limited facilities for solicitors at Brixton Jail.

Wrong number

Buckingham Palace denied that obscene telephone calls had been made to Princess Anne's home in the last fortnight. But it confirmed that "nuisance calls" continued after the unlisted number at Oak Grove House, Sandhurst, had been changed.

Kelloggs blaze

A fireman was killed and two injured while fighting a blaze at a Kelloggs warehouse in Welham Green, Herts. A fire at the warehouse on Sunday was contained by a sprinkler system. Arson is suspected.

IRA link denied

The FBI discounted reports that the suspects in the kidnapping of Seagram whisky heir Samuel Bronfman may have wanted the $2.3m. to provide funds for the IRA.

Amin in Ethiopia

President Amin arrived in Ethiopia for a State visit at the invitation of General Teferi Benti, chairman of the Provisional Military Council.

Briefly . . .

Britain formally recognised the new Bangladesh Government, the Foreign Office announced.

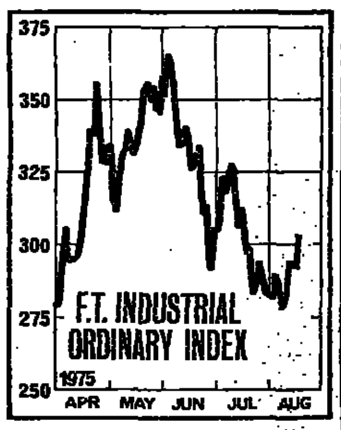
Three Czechoslovakians fled to West Germany in a chartered helicopter piloted by an American, who was wounded in a hail of small arms fire that damaged his machine.

South-West Japan's death toll from Typhoon Phyllis rose to 34, with 23 missing and 93 injured.

BUSINESS

Equities rally 11 to 303.7: gilts gain

● ***EQUITIES** rallied strongly.* **Leading industrials moved ahead smartly to push the FT 30-Share index through the 300-mark to close at the day's best of 303.7**



—up 11.0. Volume expanded only slightly, but persistent small buying found dealers short of stock. British Leyland shares rose 15½p to close at 53p.

● **GILTS advanced, with attention focussed on the trend in U.S. and domestic interest rates.**

● **GOLD rose 25c to $162.12½.**

● **STERLING was unchanged at $2.1085 and a weighted depreciation of 27.8 per cent. The dollar's depreciation widened to 2.41 per cent. (2.38).**

● **WALL STREET was down 1.09 at 824.55 near the close.**

● **PUBLIC EXPENDITURE** figures for July are much worse than has been suggested, according to W. Greenwell and Co. They claim that, properly interpreted, the figures show a rise of 50 per cent. in the first four months of this year over the same period a year ago.
Back Page

● **AUEW** has stepped up its opposition to the Government's economic policies by tabling for next months' TUC conference an eight-point plan for Government action on unemployment
Back Page

● **WHESSOE** is to make 450 redundant at its Darlington and Teesside engineering plants because of a lack of new orders.
Page 7

U.S. unions ban loading of Soviet grain purchases

● **U.S. GRAIN** sales to Russia are threatened by the U.S. trade union organisation, which has banned loading of the 9.8m. tons bought so far. The AFL-CIO fears the shipments will force up domestic food prices and want U.S. vessels to have half of any transport trade.
Back Page

● **WEST GERMAN** federal railway network is considering substantial manpower cuts in the face of an anticipated deficit of £680m. this year.
Page 6

● **HOUSE PRICES** in the second quarter rose an average 4.5 per cent. compared with the first quarter.
Page 7

COMPANIES

● **AMRO BANK** of the Netherlands reports first-half net profits up 16½ per cent. at £29.32m., but after excluding the contribution from a new acquisition, this advance is cut to 3 per cent.
Page 17

● **VANTONA** managing director, Dr. John Blackburn, has dissociated himself from a company profit forecast of £3.3m. for the current financial year, issued last week, and urged shareholders to back a £5m. bid from Spirella which is opposed by most of the Vantona Board.
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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

Treas. 13¼pc 1979	£95	+ ⅛
Assoc. P. Cement	143	+ 5
BPB Inds.	96	+ 5½
Babcock & Wilcox	99	+ 5
Bass Charrington	85	+ 4
Beecham	283	+ 9
Bowater	150	+ 6
British Home Stores	297	+ 12
British Leyland	53	+ 15½
Courtaulds	121	+ 5
Distillers	112	+ 5
EMI	179	+ 6
Ferttleman (B.)	45	+ 5
General Accident	140	+ 6
GEC	121	+ 6
Glaxo	350	+ 10
GUS 'A'	164	+ 9
ICI	259	+ 5
Int. Timber	65	+ 4
Marks & Spencer	102	+ 6
Meat Trade Suppliers	73	+ 9
Midland Bank	243	+ 15
Pilkington	228	+ 12
P. & O. Dfd.	83	+ 5
Reckitt & Colman	300	+ 12
Robb Caledon	16	+ 3
Sunley (B.)	125	+ 5
Tate & Lyle	197	+ 10
Taylor Woodrow	240	+ 10
Unilever	385	+ 15
Union Discount	309	+ 17
Western Motor 'A'	29	+ 10
Wimpey (George)	97	+ 6
BP	517	+ 7
Kinross	705	+ 25

FALLS

Coral (J.)	91	− 5
Hoffnung (S.)	75	− 5
Pancontinental	380	− 40
West Drie.	£42¾	− ¾

Bonn aims to head off Franco-U.S. clash on currency

BY JONATHAN CARR: BONN, August 18

West Germany is trying to prevent a public confrontation on a redesigned world currency system between the United States and France which could hinder co-operation in other spheres.

Bonn believes there are several matters—including the role of gold—where international accord is now possible, and that there are other economic and financial questions where the need for U.S.-European co-operation is more pressing than ever.

The latter problems include the forging of a joint approach for the Paris energy and raw materials conference later this year.

In this context Bonn feels that only harm can come of the stage being occupied by the currency question, in which it sees no early hope of reconciling the views of Paris and Washington.

Here France is urging an early return to fixed exchange rates—holding "floating" to be responsible for many of the current ills of the world economy—while the U.S. insists that it was the very rigidity of such a fixed system that caused it to collapse four years ago.

Bonn hopes that currency matters can be kept quite separate from other items at the forthcoming meeting of the International Monetary Fund (IMF). If possible currency matters should be largely shunted off for discussion by that summit conference of five major nations, which France proposed to discuss monetary issues alone but which Bonn urges should instead cover much wider economic problems.

In this way the currency differences may again be pushed into the wings.

Both the Bonn Government and the Bundesbank see fair prospects that at the IMF gathering accord can be reached on the use of gold by central banks, deployment of IMF gold reserves and reallocation of IMF quotas.

By no means have all problems been cleared in detail—but in the West German view there is sufficient common ground to permit accord to be reached.

Discipline

On the currency issue Bonn's own line is closer to the U.S. position, holding that a generalised attempt to cure economic differences through imposition of fixed exchange rates is equivalent to fiddling with a thermometer to heal a sick patient.

On the other hand, Chancellor Helmut Schmidt believes that the discipline imposed by a (largely) fixed exchange rate system can be useful so long as the countries involved are moving along a similar economic path already, and that their inflation rates are not too different.

For this reason he supports an eventual widening of the European "snake"—but sees no immediate prospect for its membership to include countries such as Italy and Britain, whose inflation remains well above that of other "snake" members.

The difference between Herr Schmidt and President Giscard d'Estaing is thus not that exchange rate discipline is not desirable—but rather over how and when it is feasible to bring a wider system into being.

Herr Schmidt clearly sees this as a matter not ripe for early resolution—hence the consternation in Government circles when M. Giscard d'Estaing proposed his summit (without previously warning Bonn) to discuss just such an issue.

In the first place Bonn feared that the U.S. might simply not agree to come—thereby emphasising existing differences. And even if the Americans did come, the likelihood was of a conference in which the two sides ended, at best, by "agreeing to differ."

Since Paris proposed the gathering, Bonn could hardly turn it down. It has rather been seeking to ensure that enough problems be discussed—with, it is hoped, the emphasis on economic measures to counter unemployment—so that the exercise may finally be deemed to have achieved something positive.

Up to to-day the Government has had no firm word on the date of which the French may be thinking. But they are assuming that the gathering is still "on."

Retail sales continue at low level in July

BY MICHAEL BLANDEN

THE RECESSION in the retail trade continued in July, according to the latest estimates of retail sales produced by the Department of Industry.

The provisional estimate of the volume of retail sales in July (seasonally adjusted, 1971=100), is put at 104.5, the same as the previous month. The figure—which is based on early returns covering approaching a half of the trade and is subject to revision—suggests that after the distortions caused by the Budget measures the level of retail activity has settled down at a rate markedly lower than in the early months of this year.

In July, trade in volume terms was close to 7 per cent. lower than in the first quarter. And taking the four months April to July together, evening out the sharp fluctuations caused by the VAT rises, the average monthly volume of sales was 3½ per cent. lower than in the first quarter.

The picture of reduced activity is confirmed by recent reports from the retail trade itself, which has continued to experience lower turnover. It is pointed out, moreover, that the level of activity has to some extent been sustained by purchases by tourists in the U.K. attracted by the relative cheapness of goods here as a result of the lower value of the pound.

While this is expected to provide a continuing support during the tourist season in London, it suggests that the domestic level of activity could still be declining.

The squeeze on real incomes implied by the Government's £6 a week pay rise limit, at a time when retail prices are likely to continue to rise significantly, suggests that there may be a further fall in purchases.

In value terms, the estimated level of retail sales in July was 19 per cent. higher than a year before, while in the first seven months of this year the rise was 22 per cent. compared with the corresponding period of 1974.

The latest sales figures indicate that after holding up well in the first few months of this year, the trade is now experiencing the effects of the general decline in activity.

The pattern was upset in April and May by the Budget announcement of the increase in VAT rates to 25 per cent. on major items of consumer spending. This brought a sharp rise in sales during April, ahead of the introduction of the new rates, with the durable goods directly affected enjoying a brief boom.

This, however, was reversed in May, with the index dropping to an exceptionally low level. In the latest two months, it has recovered to a level well below the first months of the year, when sales appeared to be sustained by the relatively high rate of wage increases compared with price rises.

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Direct union voice for Harland

BY JOHN ELLIOTT, LABOUR EDITOR

TRADE UNION members are expected to be given a direct say in the running of the Belfast shipyard of Harland and Wolff by the end of this year, through a worker-director scheme backed by a network of joint management-union committees covering the yard.

This pacemaking experiment in industrial democracy has the backing of the Government. Mr. Stanley Orme, Minister of State for Ulster, pioneered work on the scheme earlier this year.

September target

His target is to announce a scheme by the end of next month so that the Board of Harland, brought into full public ownership two weeks ago, can be recast with union-elected worker-directors by the end of the year. The Government's ownership of the yard should remove any legal problems over election of worker-directors.

Harland's total losses over the past ten years amount to some £60m. The Government's decision to save it earlier this year means that it will have injected some £119m. into the yard by 1978.

Talks on industrial democracy between the shipyard's top management and union representatives, both in the yard and in the Northern Ireland Committee of the Irish Congress of Trade Unions, have reached an advanced stage. National union leaders have also been consulted, and most are in favour of the scheme, even though they have some reservations about the wisdom of pursuing industrial democracy through a worker-director system. Only the Electrical and Plumbing Trades Union is so far standing apart.

Following a variety of suggestions floated by Mr. Orme to start discussions, the unions have proposed a two-tier Board, with the top supervisory Board made up in three equal groupings of representatives from the Government, unions and management. This is a variation on the TUC's 50-50 plan for supervisory Boards and has been designed to involve the Government directly in the yard's affairs. Below this would be a management structure responsible for day-to-day affairs including wage bargaining.

The yard's top management has no basic objection to this, and now hopes to prepare a joint scheme for submission to Mr. Orme, who will almost certainly accept it.

Below the two-tier level the joint management-union committees will be responsible for making decisions governing the day-to-day actions of executive management. This goes considerably further than the merely consultative nature of joint committees in companies like British Leyland, on which the recent Ryder Report stressed that BL's committees should "seek as far as possible to reach agreement . . . while recognising that executive responsibility rests with management." It will make the experiment the most advanced so far in the U.K.

Worker participation at Harland Page 12

For latest Share Index 'phone 01-246 8026

Liverpool to launch £30m. issue

BY STEWART FLEMING

THE CITY of Liverpool yesterday announced one of the largest local authority borrowings which the London Stock Exchange has been asked to underwrite and absorb—a £30m. issue to mature in 1981.

In April this year, the Greater London Council floated the biggest local authority issue in the U.K., a £75m. loan, which was poorly received with underwriters having to take up 87 per cent. of the stock.

Leading stockbrokers were predicting a more favourable reception for the Liverpool issue assuming there are no adverse movements in fixed interest prices in the meantime. It was suggested that the stock is attractively priced in relation to the market.

Whereas the GLC issue was floated at a margin over the nearest comparable Government stock of just under £1.50 per cent., the Liverpool issue reflects the widening of gross redemption yield differentials for local authority stocks subsequently.

The Liverpool issue is a 13¼ per cent. stock maturing in 1981 and issued at £98.50 per cent. to give a flat yield of 13.71 per cent. and a redemption yield of 13.89 per cent. The nearest comparable gilt-edged stock is the Treasury 8¼ per cent. 1980-82, and the Liverpool issue is pitched to give a gross redemption yield approximately two points higher than this stock offers.

Brokers in the local authority market suggested yesterday that among the factors accounting for this yield differential was the size of the Liverpool issue, the demands of underwriters, and the unenthusiastic response to the GLC loan.

Criticism of local authority financial controls, and, in particular, unsettling comparisons between U.K. local authorities and the financial crisis which has hit New York City, are also cited as elements which have contributed to widening yield differentials between local authority issues and gilts.

In the City, those with detailed knowledge of local authority finances reject such comparisons as simplistic and unfounded. But they accept that it is a factor affecting attitudes to local authority issues.

Commenting on the reasons for the issue, the Deputy City Treasurer for Liverpool, Mr. C. M. Reddington, said that ensuring a balanced maturity of debt was an important consideration.

He said that prior to 1970, Liverpool had been a regular borrower on the Stock Market, floating stock in 1964 and in 1966 when it raised £15m.

Rabin under attack over Sinai talks

BY L. DANIEL TEL AVIV, August 18.

MR. YITZHAK RABIN, the Israeli Prime Minister, faced the stormiest Parliamentary session of his premiership when, frequently interrupted by shouts and catcalls, he defended his Government's decision to push ahead with a further agreement with Egypt on Sinai.

He sought to reassure a special session of the Knesset that his Government would sign an interim agreement only if it were to the benefit of Israel and with the full consent of the Knesset. Earlier he had told a caucus of the ruling Labour Party that there was no risk to Israel's security in the proposed settlement with Egypt.

Reservations

In contrast to the apparent satisfaction with which Cairo has greeted the proposed resumption of the U.S. Secretary of State's shuttle diplomacy in the Middle East, Israel is deeply uneasy about Dr. Kissinger's mission, and far from happy about withdrawing without any definite Egyptian willingness to establish something resembling normal relations.

There are strong reservations even within the Cabinet on the wisdom of having Dr. Kissinger returning so soon after the collapse of his last shuttle in March; the U.S. Secretary of State is due in Jerusalem, his first stop, on Wednesday.

In the Knesset Mr. Menachem Begin, the Opposition leader, accused the Government of misleading the nation by promising it three years of tranquility as a result of the proposed new interim agreement with Egypt and of having gone back on its word.

The Government, Mr. Begin said, had come into office on the understanding that the strategic Sinai passes and the Abue Rudeis oilfield, which supplied more than half Israel's annual oil consumption, would not be returned to Egypt for anything less than an end to the state of war.

Yet here was a government proposing to hand both over not for peace, nor even for a declaration of non-belligerence. (It is understood that Egypt will furnish a declaration on the non-use of force as long as progress towards peace is maintained and this undertaking is to be given by Cairo in secret only to Washington, and not to Jerusalem).

It is known that even within the Israel Government at least one minister—national religious party leader Yitzhak Raphael—came out yesterday against the renewal of the Kissinger mission at this time when several major points are still not settled.

It is perhaps on this point that the Israeli public is most bitter. Everyone here is painfully aware of Israel's dependence on the U.S. for economic and military aid, and that if the Secretary of State were forced to return to Washington without a new Egyptian-Israeli agreement, this would lead to Israel's complete isolation.

Thus it seems that, willy-nilly, Israel will have to give in on all outstanding points. What makes matters worse is that everyone realises that this exercise may be repeated three months from now with Syria without the necessary guarantees which Israeli citizens believe would constitute progress towards peace.

Dr. Kissinger will therefore not be one of the most popular men when he arrives next Thursday and the security precautions which will be taken to protect him will be completely different from those considered necessary during his previous visit. Not since the visit of Pope Paul in the 1960s has the country seen such elaborate steps taken to protect a single statesman.

Military pact

Meanwhile the Lukud has called for the recall of the Knesset from summer recess or the resignation of the Government, though the likelihood of the latter occurring is pretty remote.

Louis Fares, in Damascus, reports: King Hussein of Jordan started a state visit to Syria today within the framework of Arab efforts to revive the eastern front against Israel.

This follows President Hafez Assad of Syria's visit to Jordan last June when both leaders started working towards a strong military co-operation

Official sources here said their purpose is to guard against an eventual attack by Israel against Syria after a disengagement agreement in Sinai.

The Jordanian monarch arrived accompanied by an important delegation including Mr. Zeid Rifai, the Prime Minister, and Zeid Benshakir, Army chief-of-staff.

Western diplomats here believe that the two Arab leaders will co-ordinate their positions before receiving Dr. Kissinger during his forthcoming mission.

The immediate aim is to apply pressure on Israel to effect another withdrawal on the Golan Heights after the Sinai pullback.

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£ in New York

—	Aug. 18	Previous
Spot	$2.1085-1095	$2.1100-1110
1 month	0.66-0.61 dis	0.75-0.70 dis
3 months	1.97-1.92 dis	2.00-1.95 dis
12 months	7.65-7.55 dis	7.65-7.55 dis

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LOMBARD

Putting faith in U.S. miracles

BY ANTHONY HARRIS

THE KEEN interest with which businessmen follow every twitch of the U.S. growth rate at the moment is one of the sadder aspects of a discouraging economic scene. The era of forecasting has invested percentage figures with so much significance that many figure-watchers seem to have forgotten to ask themselves what the percentages measure; more precisely, they have forgotten to ask themselves how long it would take a 6 per cent. annual growth rate—the rate now forecast for the last two quarters of this year—to make any important difference to an economy whose capacity is more than 30 per cent. idle. If the answer to that conundrum is not depressing enough, ask yourself further what is causing the present recovery? The main answer is that de-stocking is coming to an end: not a new growth trend, but a simple need to produce as much as is consumed.

Peter out

A recovery of this sort is hardly the sort of self-sustaining process which will lead the whole world back to economic health and activity: on the contrary, it is all too likely, in the absence of any further stimulus, to peter out. The smooth recovery from a shallow cycle, which soon provokes company boards to look ahead to booming markets and capacity shortages, is a very different matter from the bottoming out of a really deep recession: only the oldest of businessmen can remember the succession of false recoveries which persisted through 1930 and 1931, as the recession was in fact deepening.

In short, a simple extrapolation of the past would lead to the gloomiest conclusions about the U.S. economy. Investment in fixed assets is still historically high, especially in relation to the level of unused capacity, but it is falling precipitously; financial confidence remains low. Companies remain burdened with high debt ratios and high stocks: according to Salomon Brothers, whose analysis of balance sheets has provided one of the most reliable guides to the U.S. economy, corporations will this year devote some $43bn.—3 per cent. of GNP—to rebuilding their financial rather than their productive strength, offsetting some two thirds of the Government's efforts at reflation.

All these reservations are, in a subdued way, spelt out in the cautious OECD survey of the U.S. economy which also provides the hopeful growth figures; and the OECD also draws attention to the one new factor which could make things different this time round. "the simultaneous start of large energy and other resource-based investment programmes could generate a new investment boom." In other words, one of the main grounds for hope lies not in the cyclical factors which are attracting so much attention, but in the abnormal politics and economies of resources.

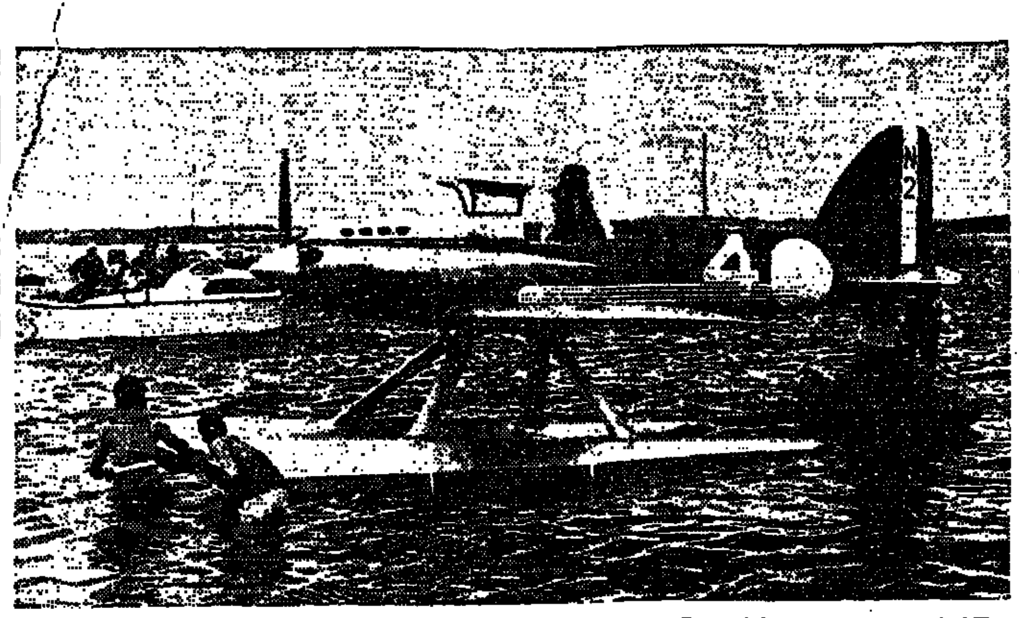
The energy invesment boom remains something of a mystery. So far it has been all talk and little action. Partly, perhaps, because the U.S. Government has devoted such a huge propaganda effort to proclaiming the supposed weakness of the OPEC cartel, and partly because a Democratic Congress (and especially the representatives from New England) resist any move which would raise the cost of energy to consumers, the U.S. utilities have so far been reluctant to bank on a permanent regime of high prices, to justify investment in high-cost production. The Administration seems to have some sort of a policy, but has yet to get it taken seriously.

Confused

The picture is almost as confused outside the U.S. Only the North Sea is clearly attracting the effort which was expected. Facts and figures about the ambitious programmes of nuclear and other energy in other countries are hard to find, and even harder to project into the future. The OECD Energy Agency, which one had hoped would be a clearing house for such plans, seems to be asleep so far. If Dr. Kissinger's present mission to the Middle East has the success which optimists expect, one possible result is that energy investment will be reviewed again. Since the OPEC countries are spending most of their revenues, the balance of payments argument for energy investment looks much less convincing; and the real benefit of such investment—security against future boycotts—can look very expensive if the chances of boycotts have been greatly reduced.

There is even more fog obscuring the forward view for other resource-based investment. One would hardly sink a mine on the strength of the rhetoric about the New International Economic Order; the possibility of another commodity boom offers a stronger argument. But we are now in a circular argument: resource investment may be needed to fuel the recovery which would make it pay off.

These are dark matters, Watson.



A replica of the 1927 record-beating Supermarine S-5, forerunner of the Spitfire, takes to the waters of the Solent. It was built by Mr. Ray Hilborne, of Oliver's Battery Road, Winchester, and will eventually be flown by Flight-Lieutenant John Blake, a former RAF test pilot. The original aircraft set a world speed record of 283.67 m.p.h. at Calshot in 1927, and went on to capture the Schneider Trophy at an average speed of 281 m.p.h. in the same year.

RACING BY DOMINIC WIGAN

Grundy's price unattractive

JUDGED BY their quotes of 3 to 1 on *Grundy* for to-day's £50,000 Benson and Hedges Gold Cup (3.10), the leading bookmakers clearly believe that the Derby winner will not be extended to bring his winnings past the £300,000 mark in this top-class 10½-furlong event at York.

Grundy may well be able to justify those odds and extend his winning sequence to five; but in view of the exceptionally hard race which he had when holding the equally tough Bustino in Ascot's King George VI and Queen Elizabeth Diamond Stakes, the price on Eddery's mount looks far from attractive.

A much better betting proposition to my mind is Dahlia each-way. The French filly produced a remarkable turn of foot for Piggott when overhauling Imperial Prince and Snow Knight in the corresponding event last year.

Mr. Nelson Bunker Hunt's outstanding filly showed she was returning to something approaching her best form of 1973 and 1974 when taking third place in the King George VI, and at expected odds of around 6-1 she appeals as a sound each-way *proposition.*

Thirty-five minutes after the Benson and Hedges Gold Cup, Eddery and Piggott will again be on the two principals in the Yorkshire Oaks (3.45), which a year ago produced such an exciting finish between Dibidale and Mil's Bomb.

In this afternoon's running, Piggott resumes his highly successful partnership with Juliette Marny, bidding for a fourth consecutive victory after successes which have included the Epsom and Irish Oaks. Eddery rides May Hill, an easy winner from the moderate Cannes at Haydock on her last appearance.

Juliette Marny should have little difficulty in again beating May Hill, whom she had some way behind her in the Oaks; but on this occasion I believe that the lightly raced *Sauceboat*, who may not have produced her true *running* when easily held by Roussalka in Goodwood's Nassau Stakes early this month, could have her measure.

YORK

2.00—Inchmarlo
2.30—Touch of Gold
3.10—Grundy
3.45—Sauceboat
*4.15—Counterfeit Lady****
4.45—TV Sunday**
5.15—Ra*

FOLKESTONE

1.45—Sistina
3.45—Snow Mountain

There have been few more impressive debuts made by a two-year-old this season than that by *Counterfeit Lady* in Goodwood's Findon Stakes, and I *shall be disappointed if this* attractive Bold Lad filly cannot follow up in the far more competitive Lowther Stakes (4.15).

Counterfeit Lady, a bay trained by Michael Stoute for Mr. Yoshido Yamanoto, did not make the best of breaks in that Goodwood race. Despite running green and giving Eddery far from an easy ride, she never appeared likely to be beaten, coasting home a length clear of Nuroma.

The Newmarket filly, who is sure to have derived considerable benefit from that easy introduction given her by Eddery, may be followed home by another unbeaten filly, the Seven Barrows representative, Pasty, for whom the champion jockey has been claimed.

In the other juvenile event on this top-class programme, the Acomb Stakes (2.00), few will look beyond the once-raced *Inchmarlo.* This chesnut filly by Nashua out of Cherryville, a stakes placed half-sister to the great Secretariat, and also to Sir Gaylord, did not have to be pushed out to defeat Queen Anne by 1½ lengths in the Virginia Water Stakes at Ascot recently, *and I cannot envisage defeat for* her.

GOLF

U.K. team named for Ryder Cup

THE MEMBERS of the British Ryder Cup team to meet the U.S. at Laurel Valley, Pennsylvania, on September 19, 20 and 21, announced yesterday, include Peter Oosterhuis and Tony Jacklin.

The full team, captained by Bernard Hunt, is: Eamon Darcy, Maurice Bembridge, Brian Barnes, Bernard Gallacher, Guy Hunt, Norman Wood, John *O'Leary, Brian Huggett, Tony* Jacklin, Peter Oosterhuis, Tommy Horton, and Christy O'Connor junior.

Those playing in the Ryder Cup for the first time are Darcy, G. Hunt, Wood, O'Leary, Horton and O'Connor junior.

CRICKET BY TREVOR BAILEY

Australia battle back on best day of Test

YESTERDAY WAS easily the most entertaining day of the Leeds Test Match with 327 runs scored to provide the prospect of a most exciting finish to-day. Australia fought back bravely to finish 220 for three, which means they need 225 to win.

The main reason for this run flow has been the pitch, which, instead of becoming slower and slower as had been expected, seemed a shade quicker and less receptive to spin than in the early stages.

Possibly the English slow bowlers Edmonds, Underwood and Greig were not quite at their best. However, great credit must be given to McCosker and Ian Chappell in particular, and to the rest of the Australian bats*men for the way they have set* about making the 445 needed for victory.

I still fancy that England will win comfortably, but not with the comfort I originally predicted. If Australia succeeds, it will be an historic performance, because if a team makes over 445 in its final innings the opposition can have no complaints.

In the final session McCosker and Ian Chappell continued serenely against various bowling combinations.

The Australian captain reached an excellent half-century and soon afterwards the stand passed the hundred mark. It was eventually ended by Old, who trapped Chappell in front as he tried to push across the line.

This brought in Greg Chappell, the one batsman with the basic brilliance to produce a match-winning innings in these circumstances. He began impressively with three boundaries, but played half-cock to a ball that turned, and was caught in the gulley off an outside edge.

There was considerable hesitancy at the start of Walters' innings. He might have been caught in the slips off Old and a ball from Edmonds dipped between his pad and the stumps for an involuntary four. Nevertheless, he managed to stay there, and, as always on these occasions, the runs came. At the close McCosker was 95 not out—a masterly innings in every respect—and Walters 27.

England, 288 and 291, Australia, 136 and 220 for 3.

When England resumed at 184 for three, basking in the sunshine of a lead of 357, Greig was 38 not out and that permanent resident, Steele 59 not out. The objective was quick runs, but the early pursuit was disappointing apart from Thomson's inaccurate first over, which produced 13 runs.

Mallett caught and bowled Greig, the man most likely to succeed at 197 and then had the promoted Old stumped off Marsh's pads. At the other end Thomson dismissed Hampshire, driving optimistically, for a duck.

Undeterred by these setbacks Steele and Knott began to attack the bowling. Steele hit Mallett for a six, might have been caught in the gully off Thomson, and then drove him impressively to the boundary.

Two expensive overs from Mallett persuaded Chappell to take *the new ball, which was* shared by Thomson and Gilmour. This made no difference, indeed, it inspired Knott to even greater belligerese, which included depositing a good-length ball from Thomson full toss over the mid-wicket boundary.

Steele, alas, did not achieve the century he deserved as he *was caught at mid-wicket at 272,* for an admirable 92. Four runs later Knott was superbly caught for a chirpy, cheeky 31. The innings eventually ended just after one o'clock, at 288. This left Australia the enormous task of making 445 to win in 616 minutes.

McCosker and Marsh experienced some anxious moments against Old and Snow, but were still together at lunch with 13.

The English pace bowlers continued after the interval without enjoying much luck—Snow *had Marsh put down* in the slips. The break was eventually achieved by Underwood, who clean-bowled Marsh for 12. However, in general, runs, aided by the attacking fields, came rather too fast for England's composure.

Snow was the most threatening of the English bowlers, but Edmonds was unable to recapture his turn and line of the previous innings. As a result, McCosker, batting with a good sense, reached an impressive half century, and his captain, Ian Chappell, interspersed watchful *defence* with the odd shrewd blow.

Greig intelligently switched his bowlers in an effort to break this stubborn and productive partnership but at tea Australia were 122 for 1.

TV Top 20

Week ended August 10

			(m.) Homes viewing
1	Man about the House	Thms. / BBC	6.35 / 6.30
2	Cannon	ATV	6.25
3	Down the Gate ...	BBC	6.15
4	Seaside Special ...		
5	Coronation Street (Weds.)	Gran. / ATV	6.10 / 5.95
6	Crossroads (Thur.)	ATV	5.85
7	Crossroads (Wed.)	ATV	5.70
8	Crossroads (Tues.)		
9	Coronation Street (Mon.)	Gran. / Thms.	5.65 / 5.65
	Moody and Peg ...		
11	News at Ten (Thurs.)	ITN / ATV	5.55 / 5.50
12	The Squirrels ...	ATV	5.40
13	Crossroads (Fri.) ...	York.	5.30
14	Don't ask Me	ITN	5.30
	News at Ten (Fri.)	Gran.	5.20
16	Sam		5.05
17	Goslings Travels ...		
18	News at Ten (Wed.)	ITN / ATV	5.95 / 5.90
19	Comedy Premier...		
20	Who Dunnit	Thms.	4.83
	General Hospital...	ATV	4.85

Figures compiled by the Audits of Great Britain for Joint Industry for Television Authority Research.

SALEROOM

OVERSEAS BUYERS were in strong evidence at a Phillip's sale of prints which saw some buoyant prices and fetched a total of £13,397. An etching by Jacques Bellange of Kaspar, one of the three kings, went to Craddock and Barnard for £1,400 (est. £800-£1,000) and Arwas paid £800 for an etching by Gerald Brockhurst of a young nude entitled *Adolescence.*

In a sale of furniture and works of art which totalled *£17,560, Shayer paid £360 for a* cranberry coloured glass garniture and Bishop paid £320 for an 18-piece 19th century French porcelain dessert service. A sale of watercolours and drawings realised £3,275.

BBC drug film 'caused deaths'

THE BBC was attacked yesterday over plans to repeat on Thursday its controversial drug film Gale is Dead. The Helping Hand Organisation, which exists to help drug addicts and alcoholics, alleged that the programme "has already been instrumental in causing more deaths than it has prevented since it was first screened in 1970. We would urge the BBC to replace the programme. It may prevent still more girls from identifying with Gale's hopelessness."

A spokesman of the Helping Hand said the documentary, to be repeated in the Man Alive BBC-2 series, "gives such a hopeless but romantic picture of what it is like to be on drugs that already many female addicts have copied Gale."

TV/Radio

† Indicates programme in black and white.

BBC 1

9.55 a.m. Wacky Races. †10.05 Robinson Crusoe. 10.30 The Record Breakers. 10.55 Cricket: Third Test, England v Australia. 1.30 p.m. Bagpuss. 1.45 News. 1.50 Bilidowcar. 2.15 Cricket: England v Australia. 4.23 Regional News (except London). 4.25 Play School. 4.50 Tom's Midnight Garden. 5.15 Brainchild. 5.40 Sir Prancelot.
5.45 News.
6.00 Nationwide (London only).
6.20 Crowd of the Day: On June 14 at The Oval the West Indians and the Australians got together for the first time.
†6.50 Tarzan Finds a Son, starring Johnny Weissmuller.
8.10 Holiday on Ice.
9.00 News.
9.25 Miss United Kingdom 1975.
10.15 Going Places.
10.45 Nairn's Journeys.
11.15 Weather/Regional News.

All Regions as BBC-1 except at the following times:

Wales—5.15-5.40 p.m. Arch Noa. 6.00-6.20 Wales Today. 6.50-7.10 Heddiw. 7.10-7.40 Sice Cwn. 7.40-8.10 The Likes Of . . . Jack Hedley. 10.15-10.45 Journey to the Far East. 11.15 News of Wales.

Scotland—6.00-6.20 p.m. Reporting Scotland. 10.15-10.45 The Rough with the Smooth. 10.45-11.15 Edinburgh Festival '74. 11.15 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.20 Scene Around Six. 10.15-10.45 Summer Song. 11.15 Northern Ireland News Headlines.

England—6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle) Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South-West (from Plymouth). 10.15-10.45 North (from Leeds) Summer Interview; North-West (from Manchester) The Time of Their Lives; North-East (from Newscastle) Bean's Boots; Midlands (from Birmingham) The Golden Game; West (from Bristol) The Very Private Secretary; South-West (from Plymouth) Peninsula; South (from Southampton) A Secret England; *East (from Norwich) On Camera.*

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
11.25 Open University.
4.30 p.m. Cricket: Third Test. England v Australia.
6.15 Open University.
7.30 Newsday.
7.45 Six From The Sixth.
8.10 The Time-Detectives.
†9.00 Tuesday Cinema: "Masculin, Feminin," starring Jean-Pierre Leaud.
10.40 Cricket: Third Test: Highlights.
11.10 News Extra.
11.29 Closdown: Georgine Anderson reads "A Painting by Winifred Nicholson" by Kathleen Raine.

LONDON

10.30 a.m. Wildlife Theatre. 10.55 Animated Classics. 11.40 *Galloping Gourmet.* 12.05 p.m. Bush Boy. 12.30 Hatty Town. 12.40 Pipkins. 1.00 First Report: News, FT index. 1.20 Lunchtime Today. 1.30 A Regional Flavour. *2.00 Good Afternoon.* 2.25 Mid-Week Racing from York. 4.25 The Great Little Trains of Wales. 4.50 Magpie.
5.20 Shang A Lang.
5.50 News from ITN.
6.00 Today.
6.40 Crossroads.
7.05 Here We Go Again.
7.35 Tuesday Mystery Movie: Banacek.
9.00 Lloyd George Knew My Father.
10.00 News.
10.30 The Final Solution—Auschwitz (Part two).
12.05 a.m. It Matters to Me.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 4.25 The Romper Room. 6.00 About Anglia. 7.00 Cartoon Time. 7.15 Tuesday Movie—Rec Ramsey. 12.00 Reflection.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 4.25 *The Houndcats. 7.00 Cartoon Time.* 7.15 Tuesday Mystery Movie. McMillan and Wife.

BORDER

†1.25 p.m. Border News. 2.00 Houseparty. 4.25 The Woody Woodpecker Show. 6.00 Border News and Lookaround. 7.00 The Borderers. 7.30 Betty Boop Cartoon. 7.35 TV Movie: "The Letters." †12.00 Border News Summary.

CHANNEL

1.25 p.m. Channel Lunchtime News. 4.25 Wait Till Your Father Gets Home. 6.00 Channel News. 6.10 Adventures of the Seaspray. 7.00 Curtain Raiser. 7.10 Mystery Movie: McCloud. 12.00 Visages de France.

GRAMPIAN

12.10 p.m. Arthur of the Britons. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. 2.00 Houseparty. 4.25 The Merrie Melodies Show. 6.00 Grampian News. 6.10 The Adventurer. 7.00 Cartoon Time. 7.15 T.V. Movie-McCloud. 12.00 Evening Prayers.

GRANADA

10.30 a.m. The Secret Service. 10.55 It's Fun to Read. 11.05 A Place to Live. 11.20 Over the Hills and Far Away. 12.05 p.m. Focus on Wildlife. 1.20 What on Earth. 4.25 Wait Till Your Father Gets Home. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada News. 6.05 Reports Extra. 6.35 Cash and Company. 7.35 The Tuesday Movie: "The California Kid." †12.00 Douglas Fairbanks Presents.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 4.25 The Tomfoolery Show. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Betty Boop. 6.45 The Protectors. 7.15 The Tuesday Movie: "The Harness" starring Lorne Greene.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 6.01-6.18 Y Dydd. 10.30-11.15 Dan Sylw.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West (Part 2).

SCOTTISH

11.55 a.m. Koala. 12.15 p.m. Alphabet Soup. 1.25 Road and Weather Report. 2.00 A World Worth Keeping. 4.25 Zig-zag. 5.20 Kirl. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Tuesday. 7.00 Cartoons. 7.15 Tuesday Mystery Movie: McMillan and Wife. 12.00 Late Call.

SOUTHERN

11.10 a.m. Japan and the Sun. 11.30 Australia. 11.40 Wait Till Your Father Gets Home. 12.05 p.m. Skippy. 12.30 Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 *Houseparty.* 4.25 *The Houndcats.* 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day. 6.45 Police Surgeon. 7.15 The Tuesday TV Movie: "Once Upon a Dead Man" starring Rock Hudson and Susan Saint James. 12.00 Southern News Extra.

TYNE TEES

12.35 p.m. Starting Point. 4.25 Make a Wish. 6.00 Today at Six. 7.00 Cartoon Time and Betty Boop. 7.15 McCloud. 12.00 Late News Extra. 12.15 a.m. Life with a Capital Jesus.

ULSTER

1.20 p.m. Ulster News Headlines. 2.00 Houseparty. 4.23 Ulster News Headlines. 4.25 Woody Woodpecker Show. 6.00 Summer Reports. 7.00 Bridget Loves Bernie. 7.30 Tuesday's Film "The Millionairess" Peter Sellers and Sophia Loren.

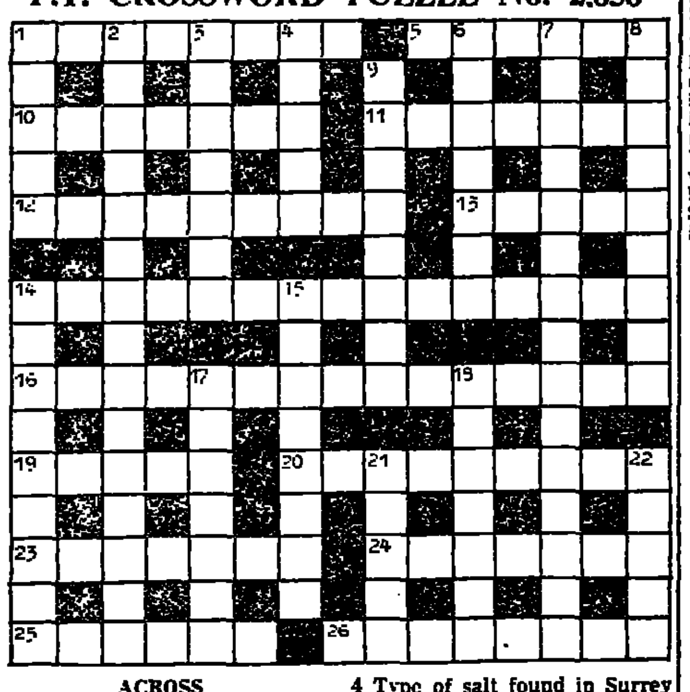
WESTWARD

11.50 a.m. Let's Face It. 12.15 p.m. The Tomfoolery Show. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 Mystery Movie: "McCloud." 12.00 Westward Late News. 12.03 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 The Beachcombers. 6.00 Calendar. 7.00 Sylvester and Tweety. 7.15 McCloud.

F.T. CROSSWORD PUZZLE No. 2,858



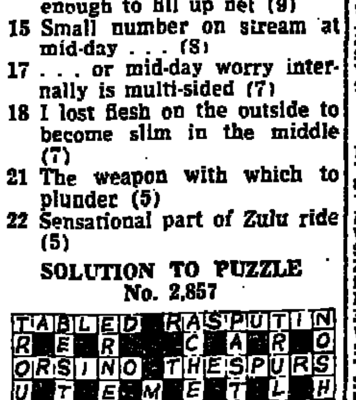
ACROSS

1 Stop the record and be understood (8)
5 Touch the pointer (6)
10 Confines the physicians (7)
11 The sudden emergence of a fault (7)
12 It could be male pride of the skin (9)
13 Oriental in nice surroundings relatively speaking (5)
14 Impressing crowds with the machinery of journalism (8, 7)
16 Taking back what was said and making a meal of it (6, 4, 5)
19 We are trapped in inverted net, being in joint possession (5)
20 Turning and twisting one left (9)
23 Sprouted wings and hastened off with letter to editor (7)
24 Condition right for the groom (7)
25 *Left one ruler with affection* (6)
26 Offered to wait upon eastern communist (8)

DOWN

1 Get up about one for an increase (5)
2 Is severely dealt with—like Mary Queen of Scots? (4, 2, 2, 3, 4)
3 Malicious person spent without hesitation (7)
4 Type of salt found in Surrey (5)
6 Concentrated in time (7)
7 Plot with dredger to make a humidifier (6, 9)
8 Puts down and irons again (9)
9 Pass and failure creating a breakdown (8)
14 Copious and abundant—enough to fill up net (9)
15 Small number on stream at mid-day . . . (8)
17 . . . or mid-day worry internally is multi-sided (7)
18 I lost flesh on the outside to become slim in the middle (7)
21 The weapon with which to plunder (5)
22 Sensational part of Zulu ride (5)

SOLUTION TO PUZZLE No. 2,857



RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Dave Lee Travis with The Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker including the new Top 30. *2.02 David Hamilton (S) (also on VHF).* 5.00 Newsbeat. 5.15 Alan Freeman. Youth Club Call. 7.00-12.33 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Tony Brandon (S) including 8.27 Racing Bulletin 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open *House (S) including 10.30 Waggoners'* Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland), 2.45, 3.45 and 4.45 Sports Desk at 3.10 Racing From York. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk 6.45 Sports Desk. 7.02 Three in a Row. 7.30 Sports Desk. 7.32 Sing Something Simple (S). 8.02 The Musical World of Frank Cordell (S). 9.02 The Impresarios (S). 10.02 Sports Desk. 10.05 Colin Berry (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

‡Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert Weber, Mozart, Haydn (S). 9.00 News. 9.05 This Weeks Composer: Bach (S). 9.55 Academy of the BBC (S). 10.55 Cricket: Third Test: England v Australia. 1.35 p.m. News. 1.40 The Arts Worldwide. 2.00 Cricket: Third Test (‡ from 5.45). 2.00 Lunchtime Scoreboard. †6.30 Study on 3. 7.30 Proms concert: Bach: Mass in B minor, part 1 (S). 8.35 The Nature of Belief (talk). 8.55 Proms concert: Bach: Mass in B minor, part 2 (S). 10.10 Drama Now (S). 10.55 Summer Music (S). 11.25 News.

Radio 3 VHF only—5.45-7.30 p.m. and 12.0-1.00 a.m. Open University.

RADIO 4 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather and programme news. 8.00 News and more of To-day including 8.27 Sportsdesk and 8.35 To-day's Papers. 8.45 The Bindles Take a Holiday. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Celebration: Samuel Coleridge-Taylor (S). 11.45 "The Wit and *Wisdom of . . . Sir Malcolm Sargent.* 12.00 News. 12.02 You and Yours. 12.27 I'm Sorry I Haven't a Clue. †12.55 Weather and programme news. VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Rape of the Fair Country. 4.00 News. 4.05 Pick of the Bunch. 4.35 Story Time. 5.0 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Home to Roost. 6.45 The Archers. 7.00 News Desk. 7.30 The Great Musicals: "Kismet." 8.15 A Child-like Person (story of Enid Blyton). 9.00 Gone But Not Forgotten. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. Radio 4's International Business Report: Market Trends. 11.15 Think Tank. 11.30 News.

BBC Radio London 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 The Announcers (Alvar Lidell). 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00 a.m. As Radio 2 until closedown.

London Broadcasting 261m and 97.3 VHF

6.00 a.m. "A.M.", breakfast-time show with interviews, traffic and travel service, plus sport. 10.00 Open Line: London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 London Matters: the dangers in your Diet. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch: news every half-hour.

Capital Radio 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and Swapshop. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It. Nicky Horne's rock show. 11.00 Greg Edwards and his late night show. 2.00 a.m. Night Flight.

LEGAL NOTICES

No. 002714 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of NORMAN JAMES CONTRACTORS LIMITED and In the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of August 1975, presented to the said Court by A. W. ANDES & SON LIMITED whose registered office is situated at 5th Floor, Northway House, High Road, London, N.20, dealers in sanitary ware and building materials, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 13th day of October 1975 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

R. C. BARTLETT & COMPANY, 51 Doughty Street, London, WC1N 2DG. Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of *his intention so to do. The notice must* state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October 1975.

No. 002734 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of PRINT ROOM LIMITED and In the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of August 1975, presented to the said Court by *THORBURN BAIN & COMPANY* LIMITED whose registered office is at Bradwell Envelope Factory, 194 Union Street, London, S.E.1, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 13th day of October 1975 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

Wm. F. PRIOR & CO., Temple Bar House, 23/28, Fleet Street, London, E.C.4. Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October 1975.

No. 002728 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of CHEM-MECH SERVICES LIMITED and In the Matter of The Com*panies Act, 1948.*

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of August 1975, presented to the said Court by HALES CONTAINERS (SOUTHERN) LIMITED whose registered office is at RMC House, 53/55 High Street, Feltham, Middlesex, and that the said Petition is directed to be heard before *the Court sitting at the Royal Courts of* Justice, Strand, London, WC2A 2LL on the 13th day of October 1975 and any creditor or contributory of the said

Continued in next column

Continued from previous column

Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for *that purpose; and a copy of the Petition* will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

YOUNG JONES GOLDING PATTERSON, 2 Suffolk Lane, Cannon Street, London, EC4R 0AU. Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October 1975.

No. 002726 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of SLIM MILLER ENTERTAINMENTS (NORTHERN) LIMITED and In the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of August 1975, presented to the said Court by AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED whose Registered Office is situate at 71, Corn Hill, London, E.C.3, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 13th day of October 1975 and any *creditor or contributory of the said* Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ELLIS PEIRS & YOUNG JACKSON, 17 Albemarle Street, London, W1X 4AA. Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed *by the person or firm, or his or their* solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October 1975.

No. 002676 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court *In the Matter of FELLMERE LIMITED and In the Matter of The Companies Act, 1948.*

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 7th day of August, 1975, presented to the said court by C. F. ANDERSON AND SON LIMITED, whose registered office is situate at Islington Green, London, N.1, Timber Merchants, and that the said Petition is directed to *be heard before the Court sitting at the* Royal Courts of Justice, Strand, London, WC2A 2LL, on the 13th day of October, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER, 2-3, Hind Court, Fleet Street, London, E.C.4. Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October, 1975.

PUBLIC NOTICES

H. M. LAND REGISTRY

Lost Certificate

It is proposed to issue a new Certificate to replace the one described below that is stated to have been lost or destroyed. Anyone possessing the missing certificate or objecting to the issue of a new one should at once notify H. M. Land Registry Lincoln's Inn Fields, London WC2A 3PH. Land Certificate, Leasehold Title No. 314119. Wellington House, Strand, London, WC2. Proprietor: Regional Properties Ltd.

PLANT AND MACHINERY

CONTRACTS AND TENDERS

PUBLIC WORKS CONTRACT

EUROPEAN INVESTMENT BANK HEADQUARTERS BUILDING IN LUXEMBOURG

ABBREVIATED NOTICE

1. *The European Investment Bank invites* contractors who are registered within the EEC to apply to be considered to tender on a restricted list for the construction of its proposed new headquarters in Luxembourg. The project will have a gross floor area of about 36,000 m² and an underground car park for about 650 cars.
2. The full notice of invitation is published in the Official Journal of the European Communities under reference nr. C 187.
3. Copies of the notice of invitation together with the application forms and explanatory notes may be obtained from:—
   EUROPEAN INVESTMENT BANK, 2 Place de Metz, P.O. Box 2005, Luxembourg.
   or from the Bank's architects: DENYS LASDUN & PARTNERS, 50 Queen Anne Street, London W1M 0DR, United Kingdom.
4. Application forms will be available in the six official languages of the Community.
5. *Applications are to be returned to the Bank's architects in London only* on the forms provided and must be received by them not later than noon 29th September 1975.

هكذا من الاصل

National Gallery

Birds of a feather

by DENYS SUTTON, Editor of Apollo

Stubbs: the Melbourne and Milbanke Families

The National Gallery's acquisition of George Stubbs's The Melbourne and Milbanke Families will be warmly welcomed. It shows the painter at his most subtle and could well hang in any exhibition of eighteenth-century masterpieces. In general, the Gallery does not purchase paintings of the national school, but on this occasion the international calibre of the picture amply justified its intervention, all the more so as the Tate Gallery was out of the running.

As the painting would have left for Switzerland in the autumn, its retention has been a near thing. What would have happened if the National Gallery had not acted the way it did? It would have been asking too much of the public to have raised funds for buying it at this juncture. However, its purchase will seriously deplete the Gallery's own annual grant and will leave it with about £400,000.

The future is alarming. Many other works will certainly come on to the market as a consequence of the grim economic situation and the weight of taxation. The most menacing threat is constituted by the Wealth Tax. If this includes works of art, the curtains will come down on one of our most fruitful contributions to civilisation. In most other countries where a wealth tax is imposed, works of art are excluded and the tax itself is substitutive, not additive. Obviously the inclusion of works of art will augment the liabilities of owners enormously, and one principal means of meeting their obligations will be to realise such assets as works of art.

The idea that the national collections will benefit from the dispersal is an illusion. The State does not command the resources required to cope with *such a flood: the beneficiaries* will be foreign buyers whose possession of hard currencies will provide an additional incentive to move into the market. Moreover, the Government, rightly, has declared that a total export ban is out of the question.

During recent months intense discussion has taken place in the House of Commons about the Green Paper outlining the Government's proposals on the Wealth Tax, and special attention has been paid to the implications of the tax in respect of works of art. In due course the submissions made to the Parliamentary Committee will be published. With two exceptions, the submissions have been unanimous in stating that the inclusion of works of art in such a tax was undesirable. The telling point was made that accommodation for them was not available, now or in the foreseeable future; moreover, informed opinion supports the view that the private ownership of works of art brings many benefits.

Let us turn to the objectors. First and foremost is Mr. Hugh Jenkins, the Minister for the Arts. He made two submissions to the committee in which he brushed aside the arguments of the experts and claimed their fears were exaggerated. He stated that he could be trusted to ensure that the tax would be applied to works of art "sensitively"—a curious word indeed. When asked to clarify what he meant, his answers were evasive.

Mr. Jenkins's only support came from a submission made by seven art critics. This group *consists of John Berger, Guy* Brett, Richard Cork, William Feaver, Peter Fuller, Paul Overy and Caroline Tisdall. Mr. Berger, a well known Marxist, is a Swiss resident. Is it, in fact, proper for a Swiss resident to submit to a parliamentary committee a proposal for the taxation of United Kingdom residents?

The seven critics are principally concerned with modern art, not the Old Masters or the decorative arts, so that their field of competence does not lie with the sort of items that would be mainly affected by the tax.

Their statement revealed a marked lack of knowledge about the history of collecting and patronage in this country. Their argument that such activities have been exclusively the privilege of the gilded aristocracy and the wealthy is not factually correct. From the seventeenth century onwards *numerous patrons and collectors* have been painters, writers, professional people, modest businessmen and even Government officials.

The Entertainment Guide is on page 9

A few recent illustrations drive home the point. Within the past 40 years two of the most gifted collectors of English drawings were civil servants—A. P. Oppé and L. G. Duke who worked at the Ministry of Education—and another was the museums correspondent of The Times, Iolo A. Williams. Moreover, one of the best small collections of mannerist and baroque painting has been built up by a refugee employed at the BBC.

A member of the Government appearing before a Parliamentary committee ought to take the trouble to know the facts. From his submission it appears that for him emotion and prejudice are the guides. Not reason and knowledge. This is an age of envy, and, to quote Dr. Johnson, envy is "the only passion which can never lie quiet from want of irritation."

In his public attack on the *origins of some members of the* Standing Commission on Museums, he apparently forgot that two of his butts—Lord Crawford and Lord Plymouth—were elected by the museums in Scotland and Wales respectively, and that the third, Lord Rosse, was appointed by the Government of the day. They were chosen not on account of their lineage but because of their competence.

Mr. Jenkins attacks men of this calibre who have given valuable service to the community. He evidently prefers the approach of a member of the Committee of Seven such as Mr. Peter Fuller. Let me fill in the picture. This critic was Home News Editor of a short-lived revolutionary Marxist weekly, entitled Seven Days.

A Minister for the Arts does not have to be a man of noble birth; he does have to be one of noble spirit. A Minister for the Arts does not have to be an educated man; he does have to possess judgment, a respect for continuity and a belief in creativity. The result of Mr. Jenkins's policy will be to destroy a major part of the national heritage, and to pave the way for a Commissar of Culture. Mr. Jenkins's vision of art appears dim and grey. It should be fought by all men of good will who believe in life enhancement, not in life diminishment.

After Sir Thomas Lawrence's death, a question of the hour was whether or not the government would buy his celebrated collection of Old Master drawings. Talleyrand, then French Ambassador in London, saw them and said: "If you don't buy them, you will be barbarians." A modern version of this famous saying might be: "If you accept envy and collectionism, you will be barbarians."

Round House

Die Kluge by RONALD CRICHTON

From West Germany the International Festival of Youth Orchestras has secured a production by the opera department of the High School for Music in Hanover. The choice of Carl Orff's folk-tale comedy *Die Kluge* *was justified* by the particular fact that the composer is 80 this year, and by the general one that in England we see little of his work on the stage, for which most of it (including *Carmina Burana*) was intended. Whether *Die Kluge* is precisely the piece *to win Orff a* wider public in England is another matter. Like the earlier *Der Mond*, there is a cold quality about the humour, calculated to the last insistent repeat of insistently simple phrases.

This coldness got into the Hanover production, efficiently directed as it was by Willi Stari, sensibly designed for touring with a trestle stage and a few props, well executed by a lively young company and orchestra, yet rarely lighting up the gleam of magic that bides in Orff's primitive-sophisticated procedures. This gleam appeared fitfully as the "clever woman," whose ability to answer riddles has made her queen, mixed a sleeping draught for the King, it was caught during the King's subsequent dream, and again at the very end in some emphatic diatonic chords which Orff scores with exceptional resonance.

Otherwise the genial, South German colour that came out so strongly in the *old recording* with Schwarzkopf, was lacking. There were compensations, notably in the singing of the peasant-father by Theo Römer, a young bass worth watching, with presence as well as a fine, clear voice. His clever daughter at this performance was Viola Wiens, who has the right timbre that was allowed by Siegfried Schick, the conductor, to pull her lullaby out of shape. The three tramps who fall so easily into aphorism (some of their remarks were quite bold for 1943, when *Die Kluge* was first given) were Volker Vogel, Hartmut Kriszun, and Wolfgang Vater.

The Hanoverians followed a short concert by the Teipei Century Youth Orchestra from Taiwan, *whose ages range from* nine to 22—one tiny fellow was not very much larger than his own fiddle. They acquitted themselves valiantly under their conductor David Liao (whose daughter Jocelyn played the solo in a Mozart Flute concerto) in two movements of Haydn's Symphony No. 99, and in an arrangement of a (traditional?) Chinese piece called *Fong Yong Hua Ku* about a queen who saved her country by giving herself to an invading ruler. Under a guest conductor, Avi Ostrovsky, they nipped through Beethoven's *Prometheus* overture. That they missed much of the music's lean tension was not their fault but Mr. Ostrovsky's, for driving them so hard.

Phoenix Opera on tour—1

Carinthian Summer Festival

by ELIZABETH FORBES

Phoenix Opera, a party of over 80 people, counting singers, musicians and technicians, began its tour of Austria and Yugoslavia at Villach, with two performances *included in the* Carinthian Summer Festival. Villach, a spa and holiday centre on the river Drau, provides the hall for symphony concerts and opera, but the heart of the festival lies in nearby Ossiach, where six summers ago Wilhelm Backhaus gave an inaugural recital in the monastery church. The monastery itself is now an hotel, but the church, idyllically set on the shore of the Ossiacher See, with Romanesque foundations, a late Gothic building and ornate Baroque decorations inside served as the only concert hall for the growing festival until 1972, when the newly-built Kongresshaus at Villach came into use for large-scale events.

This year, during July and August, a total of nearly 50 *recitals, concerts, lectures,* seminars and operas are shared between Ossiach and Villach. Opera is a relative newcomer to the Carinthian Summer, though "music theatre" represents the attempt of Professor Helmut Wobisch, the artistic director (who also plays the trumpet in the Vienna Philharmonic), to discover an original theme for the festival. *The Prodigal Son*, Britten's third parable for church performance, was given its Austrian premiere at Ossiach this summer, in a German version that seems to have been more overtly theatrical than the English Opera Group's sober production.

Phoenix's first contribution to the festival was a double bill: *Purcell's Dido and Aeneas*, preceded by J. F. Lampe's one-act comic opera *Pyramus and Thisbe*. The anonymous author of the text to *Pyramus and Thisbe* has borrowed the entertainment given by Bottom and Co. before Duke Theseus from *A Midsummer Night's Dream*, and mingling Shakespeare's words with his own, has provided an amusing little skit on 18th-century operatic manners and conventions, which received its first performance at Covent Garden in 1745. Lampe, a friend and colleague of Handel, was born in Saxony, but like his *illustrious compatriot, spent* most of his working life in the British Isles.

With such a work, everything depends on the presentation. Tom Hawkes, the producer, has trimmed the spoken dialogue, reinstating as many of Shakespeare's lines as possible, and directs his cast to move and gesture with rococo extravagance. The rather bleak interior of the Kongresshaus and a paucity of scenery are challenges to the designer, Shirley Reid, whose imaginative costumes create a fine illusion of splendour and fantasy that positively aids the singers to act their roles convincingly. Bonaventura Bottone, a tenor Pyramus resplendent in golden breast-plate and crimson skirt, is a case in point: the lack of self-consciousness and the air of enjoyment with which he minces round the stage add greatly to the effectiveness of his performance, while he manages Pyramus's mock-heroic music with equal facility.

Jessica Cash, a soprano Thisbe, has to combat the echoes—*in* British ears—of Britten's riotous send-up of a later kind of operatic death-scene in *A Midsummer Night's Dream*. John Strange is a sympathetic Wall and Kenneth Francis an endearing lion whose roar, to coin a phrase, is worse than his rage, while Keith Davis, a countertenor Moon, sings his one aria most sweetly. The piece is scored for strings, oboes and bassoon (Lampe was a bassoonist), and Ian Reid conducts the English Bach Festival Orchestra with an appropriately sparkling touch.

The first notes of *Dido and Aeneas* transport the listener to quite another planet, so powerful is the impact of Purcell's *score, so deep the emotional pro*fundity of his music. The staging of the opera is always a problem, but simple productions of it usually seem to come off best, and here the dearth of elaborate scenery proves of positive advantage to the work. Tom Hawkes does not try to give the action a romantic fervour that is alien to the *spirit of the* opera, but concentrates on the formal, masque-like patterns made by the characters in their changing relationships with each other.

Ava June is a moving and dignified Dido, who contains her agony within the bounds of decorum and sings her final lament with the tranquillity of utter despair. David Hillman does his best with the rather ungrateful role of Aeneas, bringing a note of passion to the Trojan prince's declaration of love that is *welcome even if* sometimes disruptive of vocal steadiness. Yara Labal makes a gentle, stylish Belinda, while Joan Clarkson brings a sense of real menace and evil to the Sorceress. Bonaventura Bottone and Keith Davis are respectively excellent as *Sailor* and *Spirit*. The chorus, 16 strong, sings with particularly firm, musical tone.

Corinne McCarthy

Julie Bargh, Mark Tandy and Simon Shepherd in the National Youth Theatre's production of a new play, "The Lord of Misrule," which opened last night at the Shaw Theatre.

Letter from Yugoslavia

Pula Film Festival

by RONALD HOLLOWAY

One good reason for attending the Pula film festival, the showcase of Yugoslav cinema on the Istrian peninsula, is the timeless spectacle of 12,000 exuberant movie fans crowded into the second-century Vespasian arena on opening night. After a magnificent, cascading-waterfall fireworks display that begs description, a red-blooded partisan-epic (the "Eastern," as it's called here) is thrown to the crowd; the hoots, hollers and whistles from the packed gallery, as well as the sight of lovers silhouetted on stone seats in the "windows" of the arena, are poignant re*minders that time is but an* illusion.

Many critics on the five-month festival junket from Cannes to Venice come here to lie in the sun and lick their wounds. Others are here because of the glory days of 1969, the high-water mark in Yugoslav cinema, which are long gone and but a bitter memory: that year featured Aleksandar Petrovic's *It Rains in My Village* (Cannes), Zelimir Zilnik's *Early Works* (Golden Bear at Berlin), Vatroslav Mimica's *An Event* (Golden Arena at Pula) and Zika Pavlovic's *Ambush* (awarded at Venice); while Dusan Makavejev was touring America on a Ford Grant to make *WR—Mysteries of Organism*. Yugoslav film may be at its nadir these days, but just something might happen to liven things up a bit.

It did. Purisa Djordjevic, a Serbian member of the Old Guard who came up through the documentary to become the country's leading lyrical poet on the phenomenon of partisan-fighting, captured the spirit of to-day with his critical *Pavle Pavlovic*. Shown conspicuously out-of-competition, it recounts how a simple labourer responded to Tito's open letter in 1972 on corruption of the Marxist ideal in higher places by an honest revelation of the same on television about conditions at his factory. A chain reaction is set off: *our hero cake-walks through* every phase of corrupt Yugoslav life from mismanagement to black-market worker transports to West Germany, until he turns a new leaf and dies setting things right.

Djordjevic shot the film in a month's time on a small budget, but this rawness of theme endows the film with a nervous energy from start to finish. A lot is lost on the foreign viewer, and precisely because it works by implication, rather than direct *confrontation, I think it's not too* serious a film in the long run. The satirical musical interludes —a commentary on the crass popularising of folk music—keep interrupting whenever the going gets interesting.

The residue of a vibrant Yugoslav film culture is still visible in high-quality camera work. Djordjevic's strength is always in his images, and for *Pavle Pavlovic* he has Tomislav Pinter as photographer: Pinter's forte is exteriors, which also lifts Slovenian director Matjaz Klopcic's *Fear* out of the mire of moralising gibberish to a striking vision of a crumbling Habsburg Empire in turn-of-the-century Ljubljana.

Karpo Acimovic-Godina's eye for compositions in the Split shipyards overpowers young Lordan Zafranovic's Croatian parable on the boxing world, *Matthew's Passion*; it only comes alive on floating rafts and before gaping hangers where impromptu matches are staged. The first Macedonian epic, appropriately titled *Misery*, tries inexplicably to reduce the broad expanse of 70 mm. wide-screen *to close-ups and dipping move*ment; but even in this foolishness Ljubo Petkovski's tight angles boast a photographer's flair for the Russian tradition from Eisenstein to Tarkovsky.

The arena's almost nightly *fare of stupendous, banal war*-games requires a strong stomach. And when I saw the name of a talented director buried among the credits of one of the worst Easterns, I pictured him expiring in some corner of an ancient vomitorium. But he was there at intermission, and his ability to cope somehow bodes well for a crippled, but alive, national cinema.

Two pessimistic, black allegories by the *avant garde*, Vlakto Gilic's *Backbone* and Milos Radivojevic's *Testament*, said everything in their titles. Both deal with death as illusion or reality, the former doomed to a morning screening because of its macabre corpse and blood-letting ceremonies. At the arena presentation of *Testament*, the natives grew restless as it became evident that not a word of dialogue was to be spoken: nothing much happens, except for someone returning from beyond to try to identify his persecutors. It mirrors the present state of the Yugoslav film industry.

Albert Hall/Radio 3

La Poésie by RONALD CRICHTON

Over the past few years John Eliot Gardiner with his Monteverdi Choir and Orchestra has done admirable work in extending our knowledge of Rameau, a composer acknowledged as a figure of major historical importance but with rare exceptions only experienced as a charming miniaturist. Mr. Gardiner's concert performances at the Elizabeth Hall of *Dardanus*, *Les Fêtes d'Hébé* and the hitherto unperformed opera with which Rameau should have crowned his career, *Les Boréades*, could not claim to be wholly adequate substitutes for staged performances, but they are a good way of getting to know the music, they allow the listener's visual imagination free play and, they are not actively misleading or disappointing as inept or misconceived stage productions would be of theatrical genres so difficult and costly to realise under modern *conditions*.

Five years ago Mr. Gardiner included two acts of *Hippolyte et Aricie*, Rameau's first opera, in a Prom programme. On Sunday he gave the "Poetry" act of the opera-ballet *Les Fêtes d'Hébé*. The performance of single acts by this composer is surely justified. The entire works are crafty but lengthy assemblages of mainly short individual numbers. Rameau of all great opera composers was pro*bably the least interested in* writing arias of the kind that make for easy popularity. For an audience with little or no French his declamatory recitative, designed to be sung by expert actor-singers in an intimate theatre, can be hard going. On the other hand, the sequences of dances, choruses and vocal solos with which he usually concludes his acts are so filled with musical invention, colour and contrast that they cast their spell even in a space immensely larger than any theatre of Rameau's time.

Mr. Gardiner no doubt had his reasons for choosing the "Poetry" act of *Hébé* rather than the even more seductive, headily sensual pastoral "Dance" act which concludes the work, and which made so powerful an impression when heard at the Elizabeth Hall. "Poetry" though less striking is certainly worth hearing: it is concerned with Sappho and rival (male) wooers: the dramatic content is negligible apart from the opportunity it offers for water-music, including a striking description of a river overflowing its banks—the kind of musical scene-painting Rameau did so well. And because there is water (even fresh water) there are sailors, a hornpipe, lusty choruses, personifications of brook and *river, an inevitable naiad*.

One valuable result of Mr. Gardiner's persistence in performing Rameau is that he can now call on a number of singers versed in this most difficult but rewarding music. Jill Gomez sang Sappho on Sunday night with much greater assurance than she brought to the role last year. Anne-Marie Rodde is a French soprano who remains limpid in the higher reaches of Rameau's often cruel tessitura. Philip Langridge and Christopher Brook-Jones sang fluently as brook and river, not for the first time Dale Duesing, an American baritone from the Düsseldorf Opera, made a good impression. Choir and orchestra did enthusiastic justice to Rameau's wonderfully vital, elegant, daring writing. The first half was all Handel, with the grandly sonorous Concerto Grosso No. 28 *a due chori* and the big solo cantata *Silete venti*, the latter sung prettily but a trifle superficially, with too much reliance on the printed copy, by Jill Gomez.

WORLD TRADE NEWS

HONG KONG-EEC TEXTILE AGREEMENT

Urgent talks in Brussels to clear quota snag

BY PHILIP BOWRING

HONG KONG, August 18.

HONG KONG'S textile restraint agreement with the European Community, reached only last month, has hit a serious but hopefully only temporary snag. The situation is causing widespread concern among manufacturers here, and led to the despatch to-day to Brussels of the colony's chief textile negotiator, Mr. Lawrence Mills, for consultations with EEC countries.

The main snag is that unbeknown to the Government—and apparently manufacturers' representatives—local exporters had, prior to the agreement, taken orders for the supply to Europe of certain items vastly in excess of those allowed under the agreement.

This situation applies only to textile categories which were previously unrestricted, or to items which have been re-categorised, but unless resolved will result in manufacturers being left with large stocks of finished goods which they are unable to deliver.

The position is also worrying foreign importers, who cannot get shipment of goods ordered. The problems mainly surround knitted garments and the U.K. among the individual EEC countries.

Hong Kong will be "consulting" with the EEC under the terms of the agreement in the hope of getting a once-off quota exemption for certain items for which ceilings have already been reached but for which there are large quantities of outstanding orders.

In an announcement to-day, the Hong Kong Department of Commerce and Industry said it was increasing *manufacturers'* quotas in the most pressing items to the limit legally allowed under the EEC agreement, and above the notional 1975 limits to which it said it would use its "best endeavours" to keep.

If all existing contracts for certain items are to be met, however, Hong Kong will need to go not only above the notional limits but also beyond the post-July 18 ceilings laid down under the agreement. Those are based on the notional limits, but only became binding on July 18, the day agreement was reached.

Although the situation is not disastrous for the local textile industry as a whole, some factories are critically affected and Hong Kong will be using this as evidence of "disruption" in its request for temporary relief.

Quite apart from this particular problem, local industry has been thrown badly off balance by the complete halt last week which had been placed on quota issues to manufacturers.

The quotas for individual companies, which are necessarily extraordinarily complicated in view of the large number of variables which they encompass, have had to be worked out from scratch since the new agreement—which superseded several separate agreements—came into force last month.

The resultant delays in issuing export licences has resulted in millions of pounds worth of goods being held in warehouses and wharves awaiting permission to be moved.

Although the Hong Kong government continues to feel that its agreement with the EEC is a good one under the circumstances, it will take a little time for industry to adapt to the new restraints it entails and Hong Kong is worried that inability to meet contracted deliveries through no fault of its own could damage its reputation among importers.

It is hoped that the voice of EEC importers, as well as protectionist EEC manufacturers, will be heard when consultations on temporary—to the end of this year—relief get under way.

New move to ease congestion at Lagos

By Our Own Correspondent

LAGOS, August 18.

NIGERIA HAS requisitioned 60 privately-owned jetties here in a fresh emergency move to decongest internal ports, where more than 300 ships are stranded.

The requisition order, issued by Lt.-Col. Shehy Yaradua, the Federal Commissioner for Transport, said jetties would be used exclusively by the authorities between dusk and dawn, and owners wishing to use them outside official hours would have to *apply for written* permission.

Meanwhile, the federal military government has waived the import duty on cement, the main cargo in half the ships awaiting berths, to expedite clearance of the commodity from the congested wharves.

Trade sources here believe implementation of the new emergency measures, including the diversion to Ghana of ships carrying official cargo, will go a *long* way to ease the year-old port congestions in Nigeria.

Beersheba-Eilat rail link

By L. Daniel

JERUSALEM, August 18.

THE LONG-PLANNED extension of the Israeli rail network to the port of Eilat, on the Gulf of Akaba, has taken a step forward with the appointment by the Minister of Transport of a Commission of Inquiry to study all aspects connected with the establishment of special company to implement the project.

The Commission will be headed by the Director-General of the Ministry of Transport and will include the director of the railways.

The setting up of a special company to carry out this extension programme will make it possible to raise capital from non-government sources both in Israel and abroad, it is thought.

Construction of the rail link between the Red Sea and the Mediterranean is becoming more and more urgent, but the government has had to cut back on development expenditure in view of its many other commitments, that is the reason for the decision to form a separate company.

Shipping interests, the Israeli Ports Authority and heads of the Negev chemical companies—which would be the leading customers for the Beersheba-Eilat rail link—are among members of the *Commissions.*

More power for Iceland

By Our Own Correspondent

REYKJAVIK, August 18.

THE FOUNDATION stone has just been laid of what will be by far the largest power station in Iceland. It will add 40 per cent. to the capacity of Iceland's National Electric Board, or 850m. kW hours.

The plant is being built by Sigalda in the Central Highlands, surrounded by hundreds of miles of uninhabitable lava. It should be in full operation during 1977.

President Kristjan Eldjarn said at the ceremony that the development meant a real change in the nation's struggle for survival.

Energoproject of Yugoslavia is *the main contractor for* the building, with Brown Boveri and Energomachexport also involved, together with Icelandic contractors.

Swiss trade gap falls

By John Wicks

ZURICH, August 18.

THE SWISS trade gap for the first half year was some two-thirds less than in the corresponding period of 1974 at Sw.Frs.1.46bn. (£259m.), compared with Sw.Frs.4.37bn. (£773m.). The sharp decline was attributable to a much more *rapid fall in import values than* in those of exports. While imports dropped 18.9 per cent. to Sw.Frs.17.78bn. (£3.14bn.), against Sw.Frs.21,926m. (£3.88bn.), exports were lower by *only* 7.1 per cent. at Sw.Frs.16.31bn. (£2.89bn.), compared with Sw.Frs.17.55bn. (£3.1bn.).

Foreign-trade tonnages also showed marked decreases in comparison with January-June, 1974. Import volume was 18.5 per cent. lower and export tonnage declined 12.2 per cent. Export prices had risen by 5.9 per cent., while there was only a minimal increase in overall import prices.

In value terms, the metals and machine-building industry increased its export value over the period to Sw.Frs.8.93bn. (£1.58bn.) against Sw.Frs.8.83bn. (£1.56bn.). Despite marked declines in foreign sales of aluminium and of watches. Among other major product groups, the chemical industry suffered a fall to Sw.Frs.3.62bn. (£640m.) against Sw.Frs.4.16bn. (£735m.). The textile and clothing trades were down to Sw.Frs.1.24bn. (£219m.) compared with Sw.Frs.1.49bn. (£263m.) and the food, drinks and tobacco industries declined to Sw.Frs.534.2m. (£94m.) *against Sw.Frs 615.4m. (£109m.).*

Major trading partners for both exports and imports were, as in the first half of last year, the neighbouring countries of Federal Germany, France and Italy.

Dutch have big surplus with West Germany

BY MICHAEL VAN OS

AMSTERDAM, August 18.

THE 1975 Dutch surplus with *West Germany*, by far Holland's largest trading partner, is expected to be substantially above last year's level of DM1.75bn (£322m.).

Quoting official figures, the Netherlands-Dutch Chamber of Commerce said at The Hague to-day that the Dutch export surplus had advanced to DM1.50bn (£275m.) in the first six months, or almost 90 per cent. above the DM836m. *(£154m.) surplus a year earlier.* Dutch exports were worth DM12.38bn. (£2.27bn.), with imports from West Germany valued at DM10.88bn. (£2bn.).

The Chamber, which could not yet give any background to the development, did note, however, that when compared with last year Dutch exports only rose 0.2 per cent. in the first half compared with a general German import increase of 2.4 per cent.

Whereas German exports generally had remained 3.1 per cent. below the 1974 level, German shipments to Holland had *declined* by a higher amount of 5.6 per cent. in the period.

Soviet aid for Indian oil

BY K. K. SHARMA

NEW DELHI, August 18.

INDIA AND Russia will soon hold talks on the problems facing India on oil development. Mr. K. D. Malaviya, the Petroleum and Chemical Minister, is to visit Moscow at the invitation of Mr. V. D. Sashin, the Soviet Oil Minister.

Among the subjects to be discussed are ways of making the State-owned Oil and Natural Gas Commission more effective, and the establishment of an Oil Institute at Baroda, in Gujarat State.

An Indian delegation will leave before Mr. Malaviya to prepare the ground for the discussions and to draft an agreement on oil co-operation.

Contracts Abroad

FOUNDRY DESIGN CORPORATION EUROPE, Switzerland, is to design and deliver a Sw.Frs.40m. (£7m.) plant to produce malleable iron castings to Complejo Industrial de Fundicion del Tachira, Venezuela.

HIDROGRANDNJA, Yugoslavia, is to build two canals in Iraq, 60kms long, 5 metres deep and up to 120 metres wide. The first stage of construction is valued at $75m., and the work will take 34 months.

MINEL, Yugoslavia, will deliver equipment for large-scale bread production in the eight biggest towns of Iraq. With a previous order for three Baghdad bakeries, the total order is worth $8m.

ACEC, Belgium, will build 18 large-capacity transformers costing £3.2m. for Algeria's *expanding electricity network.* Algerian electrictiy output, 2,375 MW in 1973, is scheduled to reach 4,836 MW by 1977 and 7,229 MW by 1980.

IN BRIEF

Shipping costs up

Cost of shipping general and refrigerated cargoes from Australia to Europe will rise by 35 per cent. over the next 12 months. The Australia-Europe Shipping Conference said rates would go up 15 per cent. on October 1 or January 1, depending *on expiry of present agreements*, with a further 17.5 per cent. rise six months later. The increases will add SA40m. (£24.2m.) to costs over the next 12 months, raising the total to around SA190m. (£115.2m.).

Japan's deficit

Japan's customs clearance trade deficit narrowed in July to 1848m. against $439m. in July, 1974.

Israeli brakes

A plant to make automotive brake linings and clutch parts, almost exclusively for export, has been established by Friction Materials Corporation near Domona, in the middle of the Negev desert. Annual export business is forecast at $16m. once in full operation by 1977. Contracts have been signed with leading European and U.S. car manufacturers and a special *agreement* with a U.S. automotive concern to test and approve the products. Another division of the same plant will make the chemicals required for the automotive parts production process, with a machine manufacturing division and a precision casting unit.

Jamaica produce

Jamaica may lose £1.75m. in *currency* exchange during the rest of this year on her exports of farm produce to Britain if sterling continues to be depreciated by 12.8 per cent. against the Jamaican dollar.

London-Antwerp

Muller Batavier and E. H. Mundy (Freight Agencies) are to discontinue at the end of August the London-Antwerp service they have jointly operated for the past six years. Last sailing from Victoria Deep Water Terminal to Antwerp is on August 29, and from *Antwerp on September* 1. Both companies, it is stated, "will remain active in the Antwerp trade and will shortly announce future plans."

Aid for Burma

Japan is granting Burma during the current year Y700m. (£1.1m.) aid to build a laboratory and power generation and transforming facilities at a biomedical research centre to be built at Rangoon

Pottery exports

U.K. pottery exports for the first half year rose £15.2m. to a peak £49.8m., of which domestic tableware and ornamental ware contributed £36m., and £11.3m. of the overall rise.

Technip in Iran

Technip, Paris, has signed an agreement with Bornaa, Iran, to *form a joint Tehran-based* subsidiary Technaa to carry out engineering studies and projects in Iran.

Exhibitions

● Construction work on Nigeria's permanent trade fair site at Lagos is running behind schedule, and the country's World Trade Fair planned for *next year may be postponed.* This indication was given at Lagos by Brigadier Mohammed Shuwa, the new Federal Commissioner for Trade, after touring the £30m. project being undertaken by Energoprojekt of Yugoslavia.

The contractors had earlier told Brigadier Shuwa that construction work was being slowed down by the prolonged port congestion at Lagos and the country*-wide strikes early this year by* workers demanding higher pay.

● GKN Group is to participate for the first time at Plovdiv International Fair (September 3-10), introducing a selection of engineering goods and services to the Bulgarian market.

AMERICAN NEWS

Bankers moves to improve TWA capital structure

BY JAY PALMER

NEW YORK, August 18.

TRANS WORLD Airline's large institutional creditors appear to be coming under increasing pressure to allow the troubled airline to restructure and adjust its present heavy debt load. This latest series of proposals, aimed at averting an intense financial crunch and potential bankruptcy later this year comes two months *after TWA warned the Civil* Aeronautics Board that it was "perilously close" to a "last-resort financial situation."

News of the scheme was confirmed by TWA following reports that Irving Trust, the lead banker of the airline's 36-bank consortium of creditors, has approached other banks with some still unrevealed proposals. TWA stressed that there was "no immediate problem" but that the pro*gramme is designed to make* a permanent improvement in capital structure and to ensure the availability of cash to meet "the long cold winter ahead."

TWA has currently borrowed $145 under the $300 bank-credit agreement, bringing its total outstanding long-term debt to $977m. A considerable amount of the debt is scheduled to mature over the next 24 months. Despite marginal profits during the summer months of this year, TWA now seems certain to make a heavy loss over the whole of this year—especially since its *first half loss of $88m. compares* with a loss of only $26m. in the same period of 1974.

The new suggestions to the airline's bankers are almost certainly designed to modify some of the present landing restrictions that might otherwise ensure debt default if continuing losses errode its financial base. One such restriction has already been waived when lenders last April allowed TWA's 1975 *funded* indebtedness to rise above the previous maximum of 60 per cent. of net tangible assets.

Like Pan Am, which is also facing serious financial problems now its emergency loan from the government of Iran appears to have fallen through, TWA is facing a struggle for financial survival. *Although a restructuring of debt* along the lines now likely to be proposed can defer the evil day, only something a good deal more drastic would actually restore the two carriers to financial *health.* Talking in these terms, such a plan would entail either massive amounts of direct federal government aid or, possibly, some form of indirect aid through higher fares, lower fuel costs or special seating boosts.

While a merger between the two carriers (or indeed one of America's other domestic airlines) was once viewed as a solution, this has now generally been *allowed to slide. A merger* between two financial cripples, it is agreed, does not produce one healthy body. Ultimately, the continuing crisis will leave the Civil Aeronautics Board with a choice—aid or bankruptcy.

Oil price rise fears disputed

BY ADRIAN DICKS

WASHINGTON, August 18.

THE FORD Administration is doing its best to play down the inflationary impact of the higher oil prices expected to come into effect at the end of this month if, as he has been promising, the President vetoes a Bill extending present price ceilings.

Mr. Ford and his advisers have been deadlocked with the Democrats since the end of July over what to do about domestic crude prices when the present controls expire on August 31. Officially, the Administration believes a veto by the President of the Bill extending controls for another six months would be sustained by at least one chamber. Over the week-end, Mr. Ford also tried to sweeten his latest attempt to cut consumption through higher prices, by promising that he would remove his controversial $2 a barrel import fee if the veto is upheld.

However, there is some doubt that the Administration would be able to muster the votes to defeat the effort to keep controls in place, expected soon after Congressmen return from holiday on September 1. The President's position has been weakened, *too, by last week's* Appeals Court judgment that the import fee is in fact unconstitutional—though Mr. Ford is to take the matter to the Supreme Court.

Although it now seems unlikely that prices will jump at once from the $5.25 a barrel controlled price of "old" domestic crude to the $13 a barrel ruling world price level, there remains a good deal of dispute over the precise effect Mr. Ford's proposals would have.

The Federal Energy Administration predicts that the combination of decontrol, plus abolition of the $2 a barrel import fee, *would result in an increase of* no more than 0.3 per cent. in the retail price index during the remaining four months of this year and only 0.9 per cent. between now and 1977.

A number of independent studies, however, have challenged this view. The Library of Con*gress recently estimated that oil* price decontrol, without repeal of the $2 a barrel import fee but accompanied by a "windfall profits" tax, would raise unemployment by a further 0.5 per cent.

BID TO PROTECT WAR REPORTERS

AFTER FIVE years of deliberations, an international conven*tion now has been drafted to* protect newsmen covering armed conflicts. The draft has been introduced for discussion in the forthcoming 30th session of the General Assembly in line with the longstanding effort of the *media for better recognition* of the civilian, noncombatant status of correspondents in the field. UPI

Honduras acts against foreign banana concerns

By Alan Riding

MEXICO CITY, August 18.

IN APPARENT response to United Brands' bribing of a high official last year, the Honduran Government has announced that it will cancel all special privileges and concessions enjoyed by foreign banana companies operating there.

"*This does not involve* expropriation of the companies nor will their legally-acquired rights be violated," Col. Melgar said.

Fire wrecks Gulf refinery

PHILADELPHIA, August 18.

A HUGE fire destroyed one of the biggest oil refineries on the U.S. east coast and was still raging out of control here to-day after burning for nearly 24 hours.

Oil men described the blaze at the Gulf Corporation's plant on the Delaware River as the worst in the industry's history. At least three firemen are known to have been killed. Three more are missing and at least 10 people injured.

Flames shot hundreds of feet into the air and thick black smoke blanketed most of Philadelphia's southern suburbs as the fire gutted the Gulf complex, including the administration building and several million dollars' worth of computers. Reuter

FORD POPULARITY ON THE WANE

NEW YORK, August 18.

FEWER THAN half of those surveyed in to-day's Harris and Gallup polls *approve of how* President Ford is handling his job, a drop from the May gains Mr. Ford won following the Mayaguez affair.

The Gallup poll said that 45 per cent. of 1,529 Americans *surveyed* approved Mr. Ford's work in August. The Harris poll listed only 38 per cent. of 1,403 adults rating Ford's performance as "positive."

Californian 'pollution fine' on Chrysler

By Guy de Jonquieres

NEW YORK, August 18.

CALIFORNIA has fined Chrysler more than $328,000 and has prohibited the motor manufacturer from selling several of its larger models there on the grounds that the cars have failed to meet the state's pollution standards.

The action is among the most drastic ever meted out on a motor manufacturer by any U.S. state or federal Government authority and follows a series of measures taken by California to try to get Chrysler to clean up the offending models.

California has stricter environmental control laws than the federal Government, and for this reason all the major *motor manufacturers do not* fit to cars sold there certain engines which are available on models distributed elsewhere in the country.

Chrysler, however, has had difficulties in satisfying the California rules on several of its models for some months. Twice in the past six months the State's Air Resources Board, which administers the environmental regulations has ordered Chrysler to recall a total of 32,000 cars.

Brazil ships project hit

By David White

RIO DE JANEIRO, Aug. 18.

THE POLITICAL situation in Portugal is being blamed here for the apparent breakdown of a $120m. Brazilian-Portuguese joint venture to set up major ship repair facilities in Southeast Brazil.

The Brazilian shareholders in the project are now expected to find another partner to take the 49 per cent. stake allotted to Portugal's Lisnave yard. The uncertain position of the Portuguese company, which operates the world's biggest repair dock near Lisbon and is reportedly losing business rapidly, has prolonged a two-year delay in getting the project—Empresa Brasileira de Reparos Navais (Renave)—under way.

No official announcement has yet been made on the project, but the Japanese Ishikawajima group and the Brazilian-owned Estaleiro Maua have put forward a proposal to replace Lisnave.

TRADE GAP $2bn.

By Our Own Correspondent

SAO PAULO, August 18.

THE BRAZILIAN Government has *just announced* that Brazil's trade gap for the first seven months of this year was $2bn. with imports at $7bn. and exports at $5bn. This is a disappointing result as Sr. Mario Henrique Simonsen, the Minister *of the Economy, earlier in* the year had expressed confidence that the trade gap for the whole of the year would not exceed this figure.

Maurice Irvine in Los Angeles relates the strange tale of the pyramid-like building which is destined to be the last resting place of ex-President Richard Nixon's papers.

Feeding a white elephant

A MONUMENT to the star-crossed fortunes of Richard M. Nixon is taking shape on the shores of Laguna Niguel, some ten miles inland from the ex-*president's oceanside estate at* San Clemente. Although it is unlikely to be known as such, a Nixon memorial library and museum is gradually being established in a huge, £8m. edifice resembling a displaced Mayan *pyramid, which rises like a mir*age beside an artificial lake.

This mausoleum-like building, the new home of the Federal Archives and Records Centre, has a strange history. It was originally constructed in 1971 by Rockwell International, the big defence and space contractor, in the expectation that the firm's expansion would soon call for an impressive new headquarters. No sooner was the pyramid completed, however, than the *aerospace industry went into a* nosedive, profits dwindled and growth ceased. Rockwell was obliged to put the place up for sale; but no-one needed the mammoth structure in the Southern Californian hills, midway between Los Angeles and San Diego.

Foundation

The U.S. Government was sympathetic to Rockwell's plight, but it too could find no use for the isolated building, which has a million square feet of office space and a 60 acre parking lot for workers who would have to commute 80 miles a day. It was "a white elephant," a "building in search of a mission," reported Earl Armbrust, an economist from the Office of Management and Budget (OMB), in recommending against purchase.

Luckily for Rockwell, Nixon's aides heard about the pyramid. It was early in 1972, some months before the Watergate break-in. The then chief executive was in the prime of his six-year reign, and considering the options for a *government-funded presidential* library, which would help to establish his place in history. A Foundation had already been set up to preserve his papers, possessions, and memory. Trustees included the Rev. Billy Graham and a quartet who would later be convicted as Watergate *offenders*, John Mitchell, H. R. Haldeman, John Ehrlichman and Herbert Kalmbach. Nixon's brother Edward was paid nearly *£10,000 to travel about and advise* on suitable sites.

The pyramid caught Mr. Nixon's fancy. It was a handy 15-minute drive from his retirement home, the Casa Pacifica, and scholars who wished to *decide his place in history would* have to beat a path to his doorstep. Whittier College, Nixon's alma mater, which had been promised a share of presidential documents and momentoes, was also close at hand. And so the pyramid became option No. 1 on the site-seekers' list.

Robert Finch, then a presidential counsellor, and Herbert Kalmbach, Nixon's personal attorney (the men are life-long friends and college classmates from Southern California) set about negotiating a purchase. Taxpayers' money would be used, since even if a separate Nixon library were to be built later, a repository was needed for more than 40m. papers, *tapes,* gifts and other memorabilia which he intended to take with him into retirement.

But Rockwell's price was high, and several government agencies raised objections. The Department of Housing grumbled that there was no public transport, no suitable housing for miles around. The Environment Protection Agency said air pollution would be seriously increased by an influx of thousands of cars. However, the General Services Administration (which had already spent nearly £7m. on Nixon's homes) usually found a way to give the President what he wanted. *They* canvassed no fewer than 104 federal agencies, with an elaborate brochure about the advantage of living and working in Southern California, and held open house at Laguna Niguel for prospective tenants.

It took almost three years to close the deal. Earl Armbrust, the economist who advised against purchase, changed his mind and became chief manager at the local OMB. Rockwell agreed to exchange the pyramid for a government-built aircraft factory, a rocket engine plant, and a quantity of machinery, valued at £8m. by the *GSA. (An independent estimate* has since put it at £10.8m.)

This agreement, in March 1974, sent property values soaring around Laguna Niguel. Even before it was concluded, local developers in the know began buying up land all around the pyramid. More than £7m. worth changed hands, and approval was granted for the construction of homes in the affluent £25,000-£40,000 price range.

The GSA moved in a few stacks of records relating to the Old West, and a small regional unit of the Inland Revenue Service occupied a corner of the building, but it remained virtually empty for a year after the swap with Rockwell. Watergate reached its climax, Mr. Nixon resigned, and Senate investigators began taking a closer look at the strange deal.

Suitability

Rep. Jack Brooks, head of the Government Operations Committee, called the acquisition without Congressional approval "a gross violation of public trust." *He found* no actual illegality, but charged that Government had been misled about the suitability of the pyramid. An additional £1m. was needed to remodel offices for the new tenants and improve fire protection. But, sighed Brooks, "we must try to salvage something from this misguided transaction."

Meanwhile, from San Clemente, Richard Nixon is now struggling to take his Presidential papers out of Government hands and the pyramid's vaults. When President Ford agreed to give him total control over the White House tapes and other material, Congress rebelled and passed a law *giving the Government* custody of all the 880 tapes and 42m. documents. Nixon's lawyers are challenging this, arguing that Presidents always keep their papers, and that his privacy would be invaded by full public access.

In an affadavit to support his suit, Nixon tells of "an exceedingly private diary" on tape, recorded nightly on a dictating machine at the White House. *Only a handful of Watergate* prosecutors have sampled the huge mass of material, but word is out that the tapes are "hot"—as one Congressman put it, "dam' well radioactive"—in their comments on public personalities.

A special three-judge court is now trying to resolve the issue, and from time to time Mr. Nixon gives depositions at San Clemente (his phlebitis and high blood pressure still prevent him from travelling). But the case is expected to drag on for many months. Already the ex-President has paid out £80,000 to his lawyers in this struggle—one among a score of suits in which he is involved—and that sum is likely to double before the matter is decided.

If Nixon wins the tug-of-war, he plans now to "donate" the papers and tapes to the University of Southern California, which says it will attempt to raise money by public subscription for a library to house the collection. There it would eventually become "available for review," but Nixon wants the right to restrict its use and *availability while he lives.*

And if he loses? Then, ironically, the pyramid will house the "Nixon library" after all. Already the GSA has deposited 1,300 cubic feet of pre-Presidential papers there. (Nixon donated these to the Government some years ago, claiming a whopping £190,000 tax deduction, which was later disallowed.) Now it plans to build a new vault for more Nixon documents in addition to space already reserved. Congress, unwilling to spend more money on the fallen President, recently turned down a GSA request for £40,000 to instal a special safe to hold the collection, but somewhere in the pyramid the presidential papers and tapes may expect to find their last resting place.

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مكتبة الاهرام

Australians urged to curb inflation

BY ROBERT MAUTHNER PARIS, August 18.

PRIORITY needs to be given to controlling inflation in Australia in spite of the fact that the economy is recovering only slowly from an unusually severe recession, according to the latest survey of the Australian economy published by the OECD Secretariat to-day, on the eve of the Australian Budget.

Australia, the report says, is faced at present with one of the highest rates of inflation of any OECD member country, following wage settlements in 1974 and the early part of this year of something like 34 per cent. It recognises that, in spite of highly expansionary fiscal and monetary policies, the prospects are for slow growth of demand and activity throughout 1975 with little improvement in employment. But, it nevertheless warns that there would be a serious risk of an acceleration of inflation if these policies continued to be pursued.

If such a boost to inflation should occur, the task of reducing the high level of unemployment could well become much more difficult and, for this reason alone, priority should be given to fighting inflation.

After emphasising that there is clearly little scope for attempting to combat wage inflation through squeezing company profitability as a way of strengthening employers' resistance to high wage claims, the OECD Secretariat points out that the reduction of inflation depends largely on public acceptance for the need of wage and price restraint.

Such a national consensus, it admits, does not seem to be forthcoming at present. If a voluntary solution cannot be found quickly, demand management weapons will have to be employed which could well have unfortunate consequences on the levels of activity and employment.

Noting that the main monetary aggregates appear to be growing very rapidly and that Government expenditure during the first 10 months of fiscal 1974-75 had risen at a year-on-year rate of 44 per cent., while revenue had gone up by only 25 per cent., the report stresses that budgetary policy must aim at curtailing the money supply.

"A reduction in the rate of growth of Government expenditure, rather than reliance on increasing revenue as a result of fiscal drag, will undoubtedly be required," it adds.

Reuter adds from Sydney:—Banking sources here said that they expect that the Australian Government will budget for another substantial deficit when Treasurer Bill Hayden presents the 1975/76 budget in Canberra tomorrow night.

Most sources forecast a deficit between \$2.5bn. and \$3bn. compared with a budget deficit of \$570m. in 1974/75 and an actual deficit of \$2.5bn.

The sources said that they anticipate that the deficit will more likely be nearer \$3bn. than \$2.5bn. although one source said that he believes the deficit could range from \$3bn. to \$3.5bn.

New bid to end Angola fighting

LUANDA, August 18.

PORTUGUESE army officers to-day attempted to arrange a truce to halt fierce fighting between rival African nationalists locked in battle for control of this colony's chief port, Lobito.

Military sources in Luanda said there was a lull in the battle for Lobito after civilians fled the town and ships scattered from the harbour, 370 miles south of here.

The Popular Movement for the Liberation of Angloa (MPLA), in command of Luanda after driving out two rival nationalist factions, said its forces still dominated Lobito after a four-day battle.

Portuguese military sources said there was sporadic gun and mortar fire from opposing forces of the National Front for the Liberation of Angola (FNLA) and the National Union for the Total Independence of Angloa (UNITA).

According to the latest Portuguese military and MPLA communiques, the MPLA holds most of the areas inland east of the capital while UNITA holds vast areas of the heavily populated south-eastern highlands.

In Luanda, MPLA sources said demands from both its rivals for the return of the High Commissioner, Gen Silva Cardoso, now in Lisbon, would not be met and the general, widely respected for his neutrality when dealing with the three parties, would remain in Portugal. UPI

COMMUNIST FORCES IN LAOS

On the brink of a takeover

BY KEVIN RAFFERTY, RECENTLY IN VIENTIANE

FOR THE past few weeks Laos has been abuzz with rumours that the effectively ruling Communist Pathet Lao plan to carry out the so called "final acts" and show the rest of the world that they are the masters. The final acts would be the booting out of the Americans and the triumphal communist takeover of the whole government machine through the scrapping of the tandem government system set up by the peace accords finally established in 1974. But on the brink of such a takeover the communists are still hesitating.

There is no doubt about the effectiveness of Pathet Lao control of the country: the Laos "domino fell to the Communists some time ago. To-day the writ of the joint Communist and non-Communist administration runs about as far as a 15 kilometres radius of the centre of Vientiane, the administrative capital, and 10 kilometres from Luang Prabang, the royal capital. Outside the two cities the Pathet Lao have "liberated" areas and set up revolutionary committees which seem to enjoy a good measure of local autonomy.

Acknowledge

How long the local communists will enjoy their local powers is uncertain but Prince Souphanouvong, the "red prince," and half-brother of the neutralist Prime Minister Prince Souvanna Phouma, has told people privately that it is merely an interim arrangement and new central control will be sorted out soon.

At the centre the tandem government is still there but it is a fiction. Even with the fleeing of the former right-wing Defence Minister Prince Sisouk and other ministers to Thailand replacements were found from the Vientiane side, but the balance of power altered for good. The crucial point was when the Vientiane side's army was placed under the command of the Pathet Lao deputy defence minister.

The army and the various ministries are being reorganised to the satisfaction of the Pathet Lao, with civil servants and army officers whose allegiance was to the Vientiane side being whisked off for "re-education." Those who demonstrated and protested that they had completed their schooling years ago were simply told that their re-education would take longer.

Consolidate

All that has happened at a whirlwind speed. Until the collapse of Cambodia and South Vietnam, Laos was regarded as a model of how to make peace, not least by the Pathet Lao who were to nibble away at the non-Communist territory and thus consolidate slowly yet surely. What happened in the rest of Indo-China left the Laos Communists behind. They decided to hasten their takeover. They were helped by the fact that there was no real show of resistance from the right which recognised that its time was up: many Rightists fled into Thailand, taking with them to the surprise of the Pathet Lao large numbers of young educated people.

Undoubtedly this factor has weakened the administration now run by the Pathet Lao and it may be one reason for the hard time which the Americans feel they are having in Vientiane. Some observers think it will not be necessary for the Communists to throw the Americans out. "They are in such a huff that they may well say 'if you don't want to play the game properly we will take our marbles elsewhere'." said one non-diplomatic observer.

Many of those who are not Americans think that Washington is being unduly harsh and forgetful, unable to remember the damage that the carpet bombing of the Plain of Jars—denied for so long—did to the people of Laos. It is obviously easier and more convenient for Washington to forget than for the people of Laos. The Pathet Lao seem determined that Washington must do penance for the bombing and provide aid to reconstruct the country as agreed in the Paris peace accords. The U.S. view seems to be that the Paris accords have been killed and buried by the Communists.

Quite a few westerners if not diplomats think that Washington is behaving shortsightedly.

As one commentator put it to me "Washington could keep an embassy here and a foothold in Indochina for peanuts, certainly compared to what it will have to shell out if it shuts up here and then tries to get into Hanoi. The North Vietnamese will not let them off lightly." The hope of getting desperately needed economic aid may be one reason why the Pathet Lao have withheld their "final acts."

Nationalist

Another reason for preserving the fiction of the tandem government may be the very real nationalist sentiments of many of the Pathet Lao leaders and an unwillingness to be totally beholden to Hanoi or to take sides in big power Sino-Soviet disputes.

The Communists will tell you that they are dedicated to Laos first and foremost, but in the same uneasy breath they will confess that they are pro Hanoi. Unless they make swift gestures time seems hardly on the side of non-Communist powers. There are already signs of an increasing swing towards Hanoi. Having gradually pulled out troops over the past two years the North Vietnamese are sending in reinforcements. Hanoi's troops in Laos were probably 50,000 strong at the beginning of 1974 and reduced to 20,000 at the end of last year: they may be back to 50,000. Why is not clear. It may be that the Pathet Lao administration is genuinely stretched with changes in personnel and the bouts of re-education and wants the North Vietnamese to look out for a possible Thai invasion (which cannot be seriously regarded in Bangkok, but anything seems possible to the nervous imaginations of South-east Asia. It may be that the Hanoi voices in the Pathet Lao stronghold of Xam Neua are getting stronger. Another possible indication is the sudden switch of three leading Pathet Lao figures, including deputy Prime Minister and Foreign Minister Phoumi Vongvicit who said he was leaving for medical treatment in Hanoi and Peking.

Pinpricks

In the face of all this the Americans seem more impressed by all the pinpricks that the Pathet Lao have undoubtedly inflicted upon them—like stealing their cars and parading round Vientiane in them and sitting on commissary goods worth £125,000: the American mood seems to be to sulk home if the Pathet Lao do not behave in a more gentlemanly fashion. But Laos without aid would be driven further into the stronger Communist arms and even then would have a hard time of it.

S. African police to reinforce Namibia

BY JOHN STEWART CAPE TOWN, August 18.

SOUTH AFRICAN police reinforcements have been flown to Namibia as a precaution against possible unrest following the week-end murder of the Chief Minister of the Owambo legislative assembly, Chief Filemon Elifas.

Announcing this to-day, the Minister of Police, Mr. Jimmy Kruger, said units had been sent to Windhoek and to Oshakati, in Owambo, where they would strengthen the team of investigators which has been combing the territory since Saturday night in search of Chief Elifas' assassins.

The chief was hit by automatic fire as he emerged from a hotel near Odangua where he had been having drinks with friends. His 22-year-old nephew, Paulus Elifas, was also hit and is in a critical condition in hospital. The assassins are reported to have sped from the scene in a car under cover of darkness.

The situation in Owambo, and in the principal urban areas where there are large concentrations of Ovambo migrant workers, is reportedly calm and the administration of Owambo has been taken over by a member of Elifas' Cabinet, Pastor Cornelius N'Joba, who will act as Chief Minister until August 26 when a successor will be elected by the full 77-member legislative assembly.

Mr. N'Joba said in a statement to-day the assassination of Chief Elifas would not endanger the political development of Owambo. It would rather strengthen the resolve of the Government to eliminate those people who sought to further their aims by death and destruction. He guaranteed the security of the people of Owambo and said that law and order would be maintained, no matter what the cost and regardless of personalities involved.

These sentiments echoed those of the South African Prime Minister, Mr. John Vorster, who said in a statement from Montevideo, where he is on a private visit, that everything would be done to track down those responsible for "this dastardly and Satanic act," and if it appeared from investigations that it was the work of an "undermining organisation" to wreck the forthcoming Namibian constitutional conference on September 1, action would be taken without regard to the consequences.

Egypt berates Libya

BY MICHAEL TINGAY CAIRO, August 18.

WITH PRESIDENT Sadat facing criticism prior to Secretary of State Henry Kissinger's new diplomatic shuttle, Egypt has taken a massive sideswipe at Libya in the Press following the reported coup attempt against Colonel Khedaffi.

News of the attempt by two Revolutionary Command Council members, Omar el Maheishy and Bashir Hawwadi, is difficult to verify but, whatever the truth about events in Libya last week, the Egyption Press is clearly being encouraged to make the most of it.

To-day's issue of Al Gombouria, reporting the appointment of a Libyan air force commander, Saeed el Kaddegy, spoke of an army purge, four deaths following an explosion near Tripoli and a state of unrest. The line being followed in the Press depicts a Libya whose regime is as unstable as its leader.

Egypt has been increasingly infuriated by what it sees as Libya's irrational and irresponsible attempts to feed the fires of the Rejection Front camp with grants and cash. Not least among these has been the financing of the most extreme elements of the Palestinian guerilla movement.

There is a large body of Palestinians who expect to be left out in the cold by Mr. Sadat. Sources here believe that Mr. Sadat is ready for a deterioration of relations with the PLO is "prepared to face the worst in Palestinian reaction."

Observers believe that Mr. Sadat, worried by what would happen to the economic reconstruction at home should the second stage withdrawal not be achieved, is negotiating with the greatest flexibility, determined to get the interim agreement this time.

Observers believe this swingeing Press attack on Col. Khedaffi should be seen in the context of anticipation of criticism yet to come.

More yen financing call

TOKYO, August 18.

JAPAN SHOULD use more yen in financing foreign trade to reduce heavy dependence upon short-term U.S. dollar funds, according to Masao Fujioka, director-general of the international finance bureau of the Finance Ministry.

He told the weekly Kinyu Zaisei Jijo this was necessary to avoid repetition of a liquidity crisis Japanese banks experienced in July and August last year.

Mr. Fujioka estimated gross short-term external liabilities of Japanese banks at \$30bn., of which two thirds were borrowed from the Euro-dollar pool and one third from U.S. banks.

The main reasons for such heavy borrowings were Japan's dependence on dollars for foreign trade financing and Japanese banks' needs for short-term funds rolled over to back up medium and long-term loans Japanese banks supplied overseas a few years ago, he said.

He said the banks' present short-term external borrowings were likely to increase to \$40bn., unless part of the dollar finance was shifted to yen finance.

Bank of Japan officials said a shift towards the use of more yen in financing Japanese trade would be considered as normal working of market mechanism so long as the volume involved does not become excessive.

They were commenting on a report by the financial daily Nihon Keizai of fears that a decline in Japanese interest rates and a rise in the banker's acceptance rate in New York might lead to such a shift, causing a drain upon Japan's external reserves and a fall in the value of the yen.

The bank to-day sold an estimated \$100m. on the Tokyo foreign exchange market to defend the value of the yen at 298.00 to the U.S. dollar, local banking sources said. The U.S. dollar had been just below ¥298.00 for the past two weeks.

To-day's demand for dollars came mostly from incerased needs for import settlement, but there was also some speculation by traders who believed that the yen might weaken further, the sources said. Reuter

Goncalves starts campaign to beat off opposition

BY OUR FOREIGN STAFF

THE PORTUGUESE Prime Minister, General Vasco Goncalves, last night launched a campaign against growing pressure on him to resign amid indications that the split in the ruling military triumvirate is widening.

The pro-Communist general, pressing ahead with his recent appeal for popular support to help him overcome his opponents within the Armed Forces, chose relatively safe ground when he announced that he would address a meeting of Left-wing neighbourhood committees in a working class suburb of Lisbon to-night. When Senhor Alvaro Cunhal, secretary general of the Portuguese Communist party, tried to go on the offensive against a growing tide of anti-Communist demonstrations in the rural north of the country—by holding a small town rally north of Lisbon on Saturday night—he had to be rescued by troops.

The present government's ability to maintain stability was further challenged when widespread anti-Communist rioting continued in the Atlantic islands of the Azores to-day for the second day running. Communists wounded six people when about 4,000 farmers to-day tried to burn them out of their party headquarters in the town of Angra do Heroismox on Terceira the second largest of the islands.

The farmers had earlier sacked the local offices of the Popular Democratic Movement (MDP), a close ally of the Communists. No MDP members were inside at the time.

The riots came only a few days after the Portuguese cabinet had granted the 10 islands a measure of administrative autonomy and voted large funds to appease local discontent.

The violence erupted after about 10,000 farmers marched through the centre of Angra last night to demand that three Communist leaders be put on the first plane to Lisbon and that Communists be purged from their local farming cooperative.

The Communist party won only two per cent. of the vote in the Azores in last April's general elections.

General Goncalves told the nation last Saturday that his Government was unable to function because of lack of unity in the ruling Movement of the armed Forces and the triumvirate, which consists of the Premier, President Costa Gomes and General Otelo Saraiva de Carvalho, head of the Copcom internal security forces. Pro-Goncalves military sources said the Prime Minister's meeting to-night with street committees in Lisbon would be the first of a series of popular demonstrations to whip up support for him.

The Prime Minister's spokesman said all general Goncalves wanted was for the triumvirate "to act as it guaranteed it would when it gave the go-ahead for the formation of the government."

General de Carvalho has presented his solution for the country's future and President Costa Gomes to-day continued talks with the country's main parties in a bid to end the political crisis. But, asked whether to-day's meeting with the pro-Communist Portuguese Democratic Party (MDP) and the Centre-Left Popular Democrats (PPD) were about government changes, the Prime Minister's spokesman replied: "not yet."

● One of the leading left-wingers in the Portuguese Armed Forces, Vice-Admiral Antonio Rosa Coutinho, left here to-day for Havana for a week-long visit at the invitation of Cuban Defence Minister Raul Castro. Admiral Rosa Coutinho will later represent Portugal at the non-aligned countries' conference opening in Lima on August 25. Portugal has been invited to attend the conference for the first time, but only as an observer since it is a Nato member. General de Carvalho had talks with the Cuban leader Fidel Castro last month.

Colonel Joao Yarela Gomes also led a Portuguese military mission to Cuba earlier this year. Considered one of the leading Communists in the MFA, he was sacked from the military information and propaganda services last week.

● The journalists' union, now controlled by Socialists and Maoists, last night demanded the resignation of the pro-Communist Information Minister, Commander Jorge Correia Jesuino.

The resignation call was made in a statement supporting journalists on Lisbon's main daily, the Diario de Noticias, who protested last week at the pro-Communist bias of the newspaper.

Change of Spanish PM forecast

MADRID, August 18.

SPAIN'S King-designate, Prince Juan Carlos, interrupted his summer holiday to-day for an unscheduled visit to Head of State General Francisco Franco, increasing Press speculation here over a possible change of Prime Minister.

The Prince flew from Palma de Mallorca, in the Mediterranean, to Corunna, where General Franco spends his summer holidays. It was the first time he had interrupted his holiday to visit the Head of State since General Franco chose him as his successor in 1969.

According to Press speculation here, Premier Carlos Arias Navarro's position has come under threat because he did not meet General Franco immediately after attending the European Security Conference in Helsinki at the end of July. The Prime Minister did not see the Head of State until last Wednesday, when they held a working lunch at General Franco's summer residence, the Pazo de Meiras.

While the Prime Minister was attending the Helsinki conference, General Franco extended the life of the present Cortes (Parliament) for four months in a move that was interpreted as a defeat for Sr. Arias. The Cortes, which had been due for dissolution in October, is dominated by extreme Right-wingers who oppose Sr. Arias' avowed policy of gradual liberalisation.

Reuter

UPI adds: A Right-wing crowd of about 2,000, among them many policemen, demonstrated against the Government to-day chanting "power to the Army." The demonstrators gathered at the headquarters of the paramilitary Guardia Civil police force where three Cabinet Ministers and top Army and police commanders attended a funeral mass for a police lieutenant killed by Marxist guerillas in a Madrid street.

New talks on U.S. bases

MADRID, August 18.

THE UNITED States and Spain will try to break a deadlock here to-day in their talks on the renewal of an agreement granting the U.S. use of Spanish bases in return for military and economic aid.

The negotiations, led by U.S. roving ambassador Robert McCloskey and Spanish Under-Secretary of State for Foreign Affairs Sr. Juan Jose Novira, take place against a September 26 deadline when the five-year-old agreement is due to expire.

The current talks, scheduled to last three days, are the ninth being held in as many months. The obstacle to an agreement is largely the issue of U.S. security guarantees to Spain. Spain seeks a broader defence agreement in return for extending the U.S. rights to use air bases in Torrejon, near Madrid, Sarragossa in the north and Mordn in the south, in addition to a major nuclear submarine base at Rota, near Gilbraltar.

Reuter

Greek junta chiefs deny treason

ATHENS, August 18.

LEADERS of the fallen Greek Junta to-day completed their please before a High Court and pleaded not guilty to high treason and insurrection, charges which entail a possible death penalty. Among the 20 defendants was the former President George Papadopoulos who assumed full responsibility for the April, 1967, coup which abolished civil liberties and established a seven-year dictatorial regime.

Mr. Papadopoulos and 10 other defendants refused to elaborate during their pleas. They only said they were proud to have participated in the coup which they claimed was staged to save the country from political anarchy and Communism.

Nine defendants, including retired Lieutenat General Grigorious Spandioakis, former Chief of the Army General Staff, General George Zoitakis, and General Odysseus Anghelis, former Deputy President of the Republic, denied they had taken part in planning the coup, a charge which could carry the death sentence.

All nine, however, claimed they supported the coup in Athens and Salonica after it had been staged.

Six defendants, including Mr. Papadopoulos and his two Deputy Premiers, Mr. Stylianos Pattakos, the former tank commander whose troops provided the bulk support for the coup, and Mr. Nicholas Makarezos, made their pleas last Thursday and Saturday. To-day, retired Colonel Dimitrios Stamatelopoulos, who during the dictatorial regime resigned as Secretary-General of the Communications Ministry after differences with the junta leaders, said he helped the Army take over because he thought that the revolution had the blessing of King Constantine.

The verdict is expected on Thursday.

● Meanwhile a retired Greek Army Colonel told a court martial he had been tortured by military police into confessing activities against the fallen Junta.

Spyridon Moustaclis, aged 49, who suffered paralysis and loss of speech because of the alleged torture, testified against 31 former Greek officers and soldiers of the Athen military police who are charged with torturing political prisoners.

Reuter

THE RUSSIAN LANGUAGE

Spreading the words

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

CHILDREN FROM 30 countries gathered in Moscow last month for an event officially entitled an "Olympiad." But this was no sporting occasion. The youngsters were there to compete against each other on their knowledge of Russian literature and language — especially, the Tass report said, of idioms.

Events like this are now a common feature of the Russians' drive to get their language more widely used outside the Soviet Union, particularly in the developing world and Communist countries. But with Russian trailing fifth in the world popularity league (sixth if Chinese is included) and handicapped by a unique alphabet and the reputation of being hard to learn, its sponsors admit a big task lies ahead.

Mastermind of the drive is the Russian Language Institute in Moscow which oversees the teaching of Russian abroad and plots the language's progress. According to its latest count, nearly one person in seven in the world has at least a smattering of Russian. But with an estimated 20m. people learning Russian in 89 countries, the Russian-speaking community increases by 1m. every two years, it says.

The Institute is backed by a special publishing house called Russkyi Yazyk (Russian Language), recently established to publish 150 titles of textbooks and teaching aids. But other Soviet publishing houses like Progress and the Foreign Languages Publishing House have been putting out material for years.

Russian's great drawback in competing for world-wide usage is its comparative lateness in entering the lists. With English, French, German and Spanish so very widespread and sharing a common alphabet, Russian's chances are greatly diminished. The Middle East's growing importance has also made Arabic a strong contender for the favours of both students and businessmen.

In addition Russian does not hold the key to international understanding in either commerce, science or diplomacy, reducing its usefulness to conversing with Russians (something few westerners do, despite detente) and reading Russian literature.

Nevertheless, Russian is making headway, and its growing popularity was recently highlighted in a report from Paris which showed that many French students who are made to learn English as their first foreign language would rather learn Russian. Why?

"Only a pessimist learns Russian" is probably as absurd a statement as the Russian claim that people learn the language "because Lenin spoke it." But its spread reflects the Soviet Union's growing stature in the world. More people are aware of Russia and the Russians, more people visit it and seek direct contact with its people and culture.

In the business world, a knowledge of Russian is regarded as a useful string to one's bow and a way of flattering the Russians. However, since the languages of East-West commerce are primarily English and German, it is by no means essential.

Similarly diplomats find that although they can get by without Russian, a knowledge of the language gives them an extra "ear." It is a well-known ploy to use an interpreter even when one is not needed, to gain time for a reply. Also the Russians' passion for putting all their dealings down on paper makes precise understanding essential in many cases.

Then there is the satisfaction of learning Russian for its own sake.

The popular western idea of Russian is of R and N written backwards and every second word ending in -ski. Apart from Da, Nyet and Tovaritch few people have even the remotest idea of what many Russian speakers argue is the world's richest and most beautiful language. They claim it combines the noun flexibility of German with the verbal subtlety of English and the precision of French. It is also very easy on the ear and, once mastered, rich in rhythm and intonation.

But in these virtues lie the very difficulties that have put off many would-be speakers. Nouns are highly inflected like Latin, verbs have a bewildering variety of forms, and there are no firm rules about stress, creating extra difficulties because some vowels change their sound if unstressed. To cap it all there is the alphabet. This contains 33 letters, many of them compound, though in Tsarist times it contained even more. Eight letters correspondend exactly with the Roman alphabet, but a further nine are confusingly different, like B, H and P (V, N and R respectively). A knowledge of Greek helps: the two languages share 20 letters.

It is also a very difficult language to practice. There are no Russian "au pairs" or casual visitors to engage in conversation, and many native-born Russian teachers are emigres who give a political slant to their discussion classes. Even in Russia, it is not always easy to strike up conversation with the locals, and reading official publications only warps one's knowledge with Pravda-ese, a very different language.

But a knowledge of Russian gives a good spin-off in the Slav countries of Eastern Europe. Russian speakers with some imagination have little difficulty grasping the general drift of Polish, Czech, Slovak, Bulgarian, Serbian, Croatian, Macedonian and Slovenian. Even Hungarian and Romanian, both completely distinct languages, have absorbed Russian words.

But though many intra-Soviet bloc dealings take place in Russian, most of the smaller countries prefer to deal with outsiders either in their own language, or English, German and French, often for political reasons.

A measure of a language's strength is its resistance to infiltration. In this respect Russian has not proved as robust as English, though its performance is no worse than French.

The recent Apollo-Soyuz joint space mission showed that while the mission was essentially bilingual, Russian technical language drew heavily on foreign words. Reports spoke of the "equipage" of the "orbitalny" capsule containing the "cosmonauty" conducting "technicalnye experimenti." The mission also had a "start" and a "finish." By contrast, about the only Russian word that has been absorbed into the English technical vocabulary is "robot," a corruption of the Russian word for work.

But if Russian has its limitations as a world language, this fact has been realistically confronted by the Soviet authorities who go to great lengths to teach their people foreign languages.

Eight languages are taught regularly in Soviet schools, principally English, and the standards attained are often astonishingly high. Visitors to the Soviet Union are frequently astounded at their guides' command of foreign languages. In fact, Russians tend to show an interest in languages which contradicts the suspicion of things foreign that looms so large in the Russian temperament.

In 30 minutes' conversation with one such guide, who had been detailed to accompany me round interviews in Moscow, I noted him use the following phrases: "Let's bowl along to the ministry and get it straight from the horse's mouth," "he came like a bolt from the blue," "the best minds in the country are working on it," "they're no more than ragamuffins," and a bewildering: "If I was in your shoes we'd be in the same boat." Not, perhaps, how an Englishman would have put it, but the man had never been out of Russia and told me proudly that he swotted his idioms daily.

But for reasons rooted in politics as much as national pride the Russians want their own language to reflect their new-found super power standing, especially since the field is dominated by the language of the principal opponent. In fact one of the provisions of the Helsinki Final Act that the Russians have said they hope to see swiftly applied is that on education and the spread of languages.

«СОЮЗ»—«АПОЛЛОН»

1975

ЕСТЬ СТЫКОВКА!

СООБЩЕНИЕ ТАСС

17 июля 1975 года в 19 часов 12 минут по московскому времени успешно осуществлена стыковка советского космического корабля «Союз-19» и американского корабля «Аполлон». Впервые в истории космонавтики в совместном полете одновременно принимают участие исследователи космоса двух стран: советские космонавты — Алексей Леонов и Валерий Кубасов и американские — Томас Стаффорд, Вэнс Бранд и Дональд Слейтон.

They've linked up! said the Izvestiya headline on the Soyuz-Apollo joint mission, which also tested the value of English and Russian as scientific languages.

Italian unions criticise rail and air strikers

BY ANTHONY ROBINSON

ROME, August 18.

AS MILLIONS of Italians and foreign holidaymakers prepare to make their return journies home, wild-cat strikes by small independent railway and airline unions have created chaos on the rail and airline systems.

In both cases the strikes have come in for unprecedentedly harsh criticism by the Italian Communist Party newspaper L'Unita and the three major trade union confederations in what represents a major new attempt to discipline strike action by the labour movement itself.

With regards to the rail strike, carried out by a small number of key technical personnel at important railway junctions in Rome, Naples and Palermo, L'Unita said that the strikes were the work of Fascist elements and small groups seeking to improve their own conditions at the expense both of the union movement as a whole and the mass of workers, often returning to jobs abroad.

Travelling at peak times on the Italian rail system is at the best of times a fairly gruelling experience in packed trains creeping along under an unrelenting sun like as Churchill once said of the allied armies in Italy, "A bug up the Italian boot."

The cumulative effect of the strike actions is to turn such journies into nightmare. It is a situation which has already had tragic results. In the early hours of this morning three tired and angry middle-aged women fought for the last seat on the long delayed Rome to Milan night train. The combination of heat, emotion and exhaustion proved too much, and one of the three women collapsed and died.

The situation is no better at the airports, where the independent pilots union Anpac, representing more than three-quarters of Italy's 2,000 airline pilots, to-day started a series of wildcat strikes which follow the seven-day strike they called last week. On that occasion a small minority of pilots affiliated to the three main union confederations and who support moves for a ojint labour contract for all airline workers managed to keep a skeleton service functioning. But the wild-cat nature of the present strike is such as to make arrivals and departures even more precarious than before and to crate the maximum discomfort at the peak of the holiday season with an incalculable effect on Italy's tourist trade.

Reuter adds from Naples: Police fired tear gas to disperse a crowd of striking railway workers. Police said they used tear gas grenades after about 150 men gathered at a suburban station and stone-throwing began at they tried to stop trains from leaving.

CARLI HANDS OVER OFFICE

By Our Own Correspondent

ROME, August 18.

AFTER A small private ceremony in his office at the Bank of Italy, Sig. Guido Carli, Governor of the bank for the last 15 years, to-day stepped down and handed over his office to his successor, Sig. Paolo Baffi.

The formal appointments of Sig. Baffi as Governor, Sig. Rinaldo Osso as Director-General and Sig. Mario Ercolani as Vice-Director-General will be announced in the official Gazette tomorrow. They are all men chosen from within the central bank who have been long-time collaborators with Sig. Carli.

Yugoslav industry slows

BY ALEKSANDAR LEBL

BELGRADE, August 18.

YUGOSLAV industrial production came close to a standstill in July, official statistics published last week revealed. The output volume was only 0.9 per cent. above July 1974, and 9.7 per cent below the 1974 average. That has brought down the average growth rate of industrial production for the first seven months of the current year to 6.7 compared to the same months of last year.

Yugoslav authorities did not comment on those figures. It has been known however that they were afraid of the de-stabilising effects of very high rates of growth, close to 10 per cent. early this year, which had an unfavourable effect on the balance of trade and spurred inflation, so that they had been curbing demand. Whether this has gone far enough is a question of paramount importance. It has been repeatedly stressed that while the Yugoslav economy cannot stand very high rates of growth, neither can it tolerate a rate of below 5 to 6 per cent., because of the social and political problems that would create.

Some signs—like a liberalisation of consumer credits—indicate that the period of deflation is over and that partial reflation will come instead, before the drop in production is allowed to proceed further.

EEC calls for power station programme

By Reginald Dale, Common Market Correspondent

BRUSSELS, August 18.

EUROPEAN governments should draw up ten-year programmes for power station construction so as to give the heavy electrical and nuclear industry an accurate idea of market prospects, the EEC Commission says in a report published to-day. At the same time, the industry itself should launch large-scale joint ventures at EEC level and move away from the present system of narrow, self-contained national markets.

In a report on the industry sent to member governments, the Commission says that it is vitally necessary to promote exports, which already account for about one third of total deliveries, by Community companies. It is to be feared, however, the report continues, that European industry will meet very strong competition from the U.S., Japan and the East European countries, on foreign markets.

Only the very large European companies will be able to compete on the world market, and will have sufficient financial backing to take the risks of investing in such ventures, the Commission warns. At world level the Community industry will find increased demand, accompanied however by an increase in the unit size of major equipment. "This will result in a standstill or slower growth in the number of items produced and a large rise in their unit value," the report says.

Second, there will be increasingly radical technological changes. "The research and development efforts designed to retain the technological independence and the technical progress necessary if European companies are to remain able to compete with American ones will therefore have to be stepped up still further and may well become too great a burden for isolated companies," it says.

Inside the Community, equipment manufacturers are making the necessary extensive investments in production facilities only in so far as they obtain adequate guarantees of volume and continuity of demand over a reasonably long period. Decisions on investments involve a high level of risk and have to be taken long in advance.

Consequently, the report says, the industry must have an accurate idea of market prospects over some ten years. Governments should commit themselves to ten-year power station installation programmes which would enable outline contracts to be drafted in conjunction with the industries, containing commitments on the number of power stations to be built and adequate technical conditions.

Industry itself must continue its movement towards combination and co-operation in the wider setting of the Community.

W. German railways to cut 60,000 jobs

BY JONATHAN CARR

BONN, August 18.

FACED WITH a probable deficit this year alone of DM3.7bn. (about £680m.) the West German federal railways—the Deutsche Bundesbahn — is considering stringent savings measures, including a substantial reduction in personnel.

The Bundesbahn's president, Herr Wolfgang Vaerst, said in an interview published to-day that unless urgent solutions were found, the structural problems of the enterprise would become unmanageable.

He declined to give details of possible cutbacks in the railway network itself, but he did say that up to 1979 the total Bundesbahn personnel would be reduced by some 60,000 from the present level of more than 400,000. This could be achieved, he said, by rationalisation without dismissals —but both the Bundesbahn trade union and the political opposition immediately expressed doubts.

Between 1971 and 1973 alone, the Bundesbahn had a deficit of DM7.5bn.—and this was in spite of federal government payments to the railways during the period of DM20.4bn. A major cause was the rise in labour costs, which now account for considerably more than 70 per cent. of total expenditure against 64 per cent. in 1960.

Further, the railways must accept small items for local transport even if the cost of handling and despatch far exceeds any freight charge which can reasonably be set. For larger long-distance freight items they must comepte with lorries providing door-to-door service.

HOME NEWS

House prices climb—and likely to go higher

BY MICHAEL CASSELL

HOUSE PRICES continued their steady rise during the second quarter of this year and further increases seem likely throughout the remainder of 1975.

Figures from the Department of the Environment, produced with the help of the Building Societies Association, show that for new housing on which mortgage advances were approved in the second quarter of this year, average prices rose by 4.5 per cent. over the previous three months. In the first quarter of 1975, prices rose by around 3 per cent.

For last year as a whole, house prices generally rose by about 6 per cent. overall, about half the increase recorded in 1973. In some parts of the market, however, prices fell heavily or at best remained stable.

The department's figures confirm that, with sales picking up again, prices, too, are beginning to move after a prolonged period of inactivity. The upturn is partially due to the large volumes of housing finance now available, as well as the fact that big wage increases are quickly bringing incomes back into the kind of relationship with prices which prevailed before the 1972 price explosion.

Houses in the lower to middle price range are now moving more quickly than at any time in the past 18 months to two years and further price increases throughout the remainder of this year can be expected.

There are few indications that prices will move ahead at anything approaching a dramatic rate, but both the building societies and the Government will nevertheless be keeping a close watch to ensure that things do not get out of hand.

The societies are particularly anxious to balance the need for encouraging more house-building against the inflationary problems which could arise if mortgage money became too freely available. There are now signs that house builders are becoming more confident and some are stepping up building programmes from the very poor levels which have recently prevailed.

But increased activity now will not result in completed homes for some considerable time and, in the meantime, with existing houses quickly going off the market, there could be a real risk of too much money chasing too few homes.

Although the societies will play a major part in damping down prices, substantial increases—made in line with prevailing increases throughout the economy—can be expected. Building costs have risen sharply and these will eventually have to be reflected in prices.

The department also reports that for sales actually completed in the second quarter, second hand prices rose by about 5 per cent. over the first three months of 1975.

For all housing, the average advance rose 5 per cent. to £7,180, or 61.7 per cent. of the average purchase price of £11,360. The average recorded income of borrowers was about £3,910, or 7 per cent. more than in the previous three months.

Previous owner occupiers paid an average £13,510 while new owner occupiers paid £9,460. Of all advances completed in the quarter, just over 45 per cent. went to first-time buyers compared with 47 per cent. in the preceding quarter.

Assets

● Assets of the Halifax Building Society, the largest in Britain, increased by £341m. to £4.10bn. in the six months ending on July 31.

During the same period, the society advanced £438.7m. against £341.2m. in the preceding six months. Of total loans made, 30 per cent. were to people aged 25 or under and advances on newly-built homes accounted for 18 per cent. of the total. By the end of July, advances offered but not yet completed amounted to £221.13m.

Gross receipts from investors in the first half of the society's year were £868m. while withdrawals amounted to £561.6m., leaving a net inflow of £415.68m. Liquid funds at the end of July amounted to 18.5 per cent. of total assets compared with 17.9 per cent. at the end of the previous six month period.

Cyril Smith attacks 'Goebbels-type' campaign by Wilson

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE ANTI-INFLATION campaign to be launched in a television broadcast to-morrow by Mr. Harold Wilson, the Prime Minister, was "tantamount to a Goebbels-type propaganda campaign," Mr. Cyril Smith, the Liberal chief whip, claimed last night.

He challenged Mr. Wilson to say who had authorised the expenditure of £2m. of taxpayers' money—Parliament certainly had not. "What guarantee can we have that public money will not be used to the benefit of propagating his party's policy at the expense of the nation?" he asked.

Mr. Smith's outburst, in a speech in Oban, will be a minor embarrassment to Mr. Wilson as he prepares for the TV broadcast which he considers of key importance. The Prime Minister's aim is to seek support for the campaign from every sector of the community.

An attack from Mr. Smith, however, need not necessarily reflect Liberal Party official policy. He frequently makes outspoken comments that are not always acceptable to his colleagues.

The Government's campaign, devised by the special publicity unit set up by Mr. Wilson, will include newspaper advertisements highlighting the dangers of inflation, and next week every household in the country will receive a leaflet expanding the message of the advertisements and of the Premier's broadcast.

Mr. Smith claimed his party fought the last election on the same message as Mr. Wilson will deliver to-morrow—that inflation is the greatest danger of the age and must be stopped.

Hypocrisy

But it was "such fantastic hypocrisy" that in the election last October Mr. Wilson's Government had "deliberately fiddled" the retail price index so that the Prime Minister could claim that inflation was 8 per cent. The Chancellor of the Exchequer had even called Liberals liars when they claimed that the reality was nearer 20 per cent.

Mr. Smith argued that even the latest U-turn by Labour left the nation still saddled with totally partisan policies and a wholly unrepresentative Government. Now the nation was being asked to pull together, take a cut in its standard of living, and support the Government that in large measure had caused the inflation.

Whessoe to make 450 redundant at Darlington and Teesside

BY OUR INDUSTRIAL CORRESPONDENT

WHESSOE, the process plant engineering group, is to make 450 workers redundant at its Darlington and Teesside plants because of a shortage of orders.

About 300 will go during the next five months and another 150 early next year out of the total workforce of 5,000. The majority to lose their jobs will be shop floor employees in the heavy engineering division. The light engineering business will not be affected.

In May the group announced a loss of £709,000 for the first half of its current financial year, compared with a £514,000 profit for the same period 12 months ago and Lord Erroll, of Hale, the chairman said that this was mainly due to a deficit on the heavy engineering side coupled with increased interest charges. Only the light engineering division showed satisfactory results during the first half-year.

The group said yesterday that the need for redundancies was mainly because of a work shortage but the deficit on the heavy engineering business "limits our ability to carry people through the bad patch."

Whessoe has suffered from a lack of orders from the petrochemical concerns who are among its major customers as well as the delays in ordering for the nuclear power programme. The spokesman stated, however, that the group's offshore business was still doing well.

The main unions concerned have been given notice about the redundancies and more detailed discussions will take place this week. Whessoe has told the unions that any adverse reaction—such as overtime bans—would only aggravate the situation and jeopardise more jobs as well as delay the group's eventual recovery.

● About 40 staff and hourly-paid workers at Crane Engineering works at Ipswich are to be made redundant from the middle of September. The company said the redundancies among the 1,850 workforce were necessary because of the difficult trading conditions.

Chemical industry expects fall in output of at least 5%

BY RAY DAFTER

THE CHEMICAL industry, which is still looking for signs of improved trading conditions, expects this year's output to be at least 5 per cent. or 6 per cent. down on 1974.

Although material suppliers are resisting the temptation to cut prices—indeed, many are planning increases—there is concern in the industry that companies may find it difficult to finance a rapid recovery when the upturn in demand eventually comes.

These are points to emerge from the latest economics bulletin published by the Chemical Industries Association, which points out that since last autumn the industry had registered one of its sharpest falls in activity.

There was no chance of any major recovery in the U.K. this year; neither was there any confidence of an upturn in Europe in 1975, the report says. This is particularly serious for the U.K. as the response of the domestic economy is likely to be at least six months behind the rest of Europe.

The association feels, however, that there may be a slight recovery in exports in the final quarter; thanks to the recovery of the U.S. economy. (Half-yearly company statements in the U.S. also indicate that the chemicals, plastics and fibres sectors there have seen the bottom of the trough.)

Employment in the U.K. chemical industry fell six successive months between October and April when it stood at 430,500, a drop of about 2 per cent. Most of the reductions were achieved through natural wastage, however, although many workers are said to be on short time.

With squeezed cash flow and profitability, companies have been forced to review their investment programmes, which were expected to total some £2.3bn. between 1975 and 1977. So far, there has been no major cuts in spending, which bears out the companies' stated intention of carrying through contra-cyclical investment to meet future demand.

Destocking

At present, however, there is plenty of spare manufacturing capacity. Several major companies have indicated that plants have been operated close to break-even point, at around 65-70 per cent. of capacity.

The chemical industry registered the effects of the depressed economy later and more severely than the manufacturing sector in general. This has been partly due to the amount of destocking undertaken by the industry's customers—the users of plastics and fibres, for instance.

The association reports that this stock adjustment process has now probably worked its way through so that home sales are reflecting the underlying level of consumption. In the last couple of months this appears to have stabilised at around 20 to 30 per cent. below last year's peak.

The fall in the destocking process may, in part, account for the British Plastics Federation's more encouraging business trends survey. The latest report, in sharp contrast to the previous gloomy survey six months ago, suggests that the recession in the plastics industry may be bottoming out.

These indications are particularly pronounced in the materials and machinery sectors, although the results of mould making are still relatively pessimistic.

Replies showed that an additional 11 per cent. of companies expected their home sales to increase, compared with the previous survey. Those expecting a decline dropped by 27 per cent. On the other hand 9 per cent. fewer companies expected to aprove capital expenditure up to July next year.

The federation says it is disturbing to find that 58 per cent. of respondents found their price rises inadequate to meet cost increases. "It would appear to confirm that some companies, by their price-cutting policies, have damaged the industry as a whole, particularly when one looks at the fact that 46 per cent. of the sample expected their own profit margin to decrease."

Engineering work goes abroad in attempt to beat inflation

BY RAY DAFTER

MAJOR ENGINEERING contractors are shopping abroad for equipment in a bid to overcome the problem of inflation. As a result, Britain's manufacturing industry could lose tens of millions of pounds worth of business which would normally come its way.

The problem has been highlighted by a contract, worth over £100m., offered by the Syrians for a new fertiliser complex. One of the contenders, Humphreys and Glasgow, says it was able to quote a fixed price for the work only by looking abroad for most of the process plant equipment.

Consequently, if Humphreys and Glasgow is awarded the contract, British companies look like missing out on about £25m.-worth of orders they would have received in normal times. The Syrian project will probably involve some £30m.-worth of capital equipment and normally Humphreys and Glasgow would expect to place 80 per cent. of the work in the U.K.

The dilemma, faced by other contractors chasing fixed priced contracts in the Middle East, Eastern Europe and South America, has been raised with various Government departments including the Foreign Office and the Department of Trade.

A spokesman for the Department of Trade said yesterday: "We are aware of the problem faced by Humphreys and Glasgow. We are naturally sympathetic and have obviously noted it."

This particular contract once again calls into question the effectiveness of the Government's cost escalation insurance scheme introduced in February to help companies involved in major projects with long lead times to compete for export work.

The process plant contractors have complained that the insurance scheme is open-ended, and does not give adequate cover to enable them to quote fixed prices with any confidence. Consequently, they claim, they are at a disadvantage against countries like France, with a more comprehensive inflation insurance scheme, or Germany, with a lower inflation rate.

Disadvantage

Mr. David Crouch, Conservative MP for Canterbury and chairman of the all-party committee for the chemical industry, has also raised the Syrian fertiliser issue with the Government.

In a letter, he said that Humphreys and Glasgow were at a disadvantage against the other two bidders—French and Austrian interests. The French had been able to quote a completely fixed price for the work while the Austrians had included a high proportion of fixed price in their tender.

It was pointed out that if Humphreys and Glasgow were awarded the contract, there would be an immediate boost to Britain's balance of payments as the down-payment would amount to over £30m.

In the past year or so, contractors have failed to bid for projects worth hundreds of millions of pounds because they felt that to quote on fixed prices would be too risky. Woodall-Duckham, for instance, has declined to quote for over £100m.-worth of potential business in Poland, Brazil and Cuba. Like other companies, however, Woodall-Duckham has stepped up its drive for more export work, allied to a policy of buying equipment abroad.

The industry quotes the example of one U.K. contractor approached by a French group. It was suggested that the U.K. company should bid for a contract, using its expertise and technical experience, and that a French company would carry out the work protected by its national insurance scheme.

The U.K. process plant industry, through the Process Plant Association, is urging those selling design and "know-how" to include British plant and machinery in the specifications.

In a letter to users of process plant, Commander John Hamer, the association's director, says there is a danger that reduced demand could lead to skilled men being laid off and the capacity of the industry curtailed. As a result there could be a "disastrous" impact on deliveries when the upturn comes.

Wool textile chief hits at trade mark delays

BY RHYS DAVID

THE CALL by Mr. Peter Shore, Secretary for Trade, for consumers to "buy British" is being thwarted by the Government's reluctance to implement its own trade mark regulations, Mr. David Price, director of the Bradford-based Wool Textile Delegation, claimed yesterday.

Mr. Price points out that although the requirement to mark foreign goods was removed in 1968 under the Trade Descriptions Act a later piece of legislation partially reversed this.

The Trade Descriptions Act 1972 re-introduced the requirement to include an origin mark where goods were being sold with a British-sounding name, a common practice with many textile products.

According to Mr. Price, importers have been flouting this legislation by not printing the country of origin or by printing it inconspicously.

The later Act has not been included in a review of trade descriptions legislation recently carried out by the Director General of Fair Trading and the subject of a recently published consultative document, he points out.

Mr. Price claims the absence of marks of origin, far from working in favour of the customer as had been hoped by the Molony committee on consumer protection in 1962, was now clearly against the public interest.

The Molony committee, whose advice was followed in the 1968 Act, had decided it was not a real consumer concern to permit the purchaser to discriminate against imported goods on political, patriotic or personal grounds.

Instead of the supposed consumer advantages, however, goods were being passed off with British-sounding names and at exceptionally high rates of profit for importers and retailers, he states.

"The Board of Trade was given powers under the 1968 Act to make statutory orders for the marking of imported goods and it seems clear that suitable orders could be made which comply with our GATT and EEC obligations.

"Hitherto these have been declined on the grounds that it was not necessary or expedient in the interests of the persons to whom any goods are supplied."

It would seem the Department of Trade was unwilling to allow the consumer to practise what the Secretary of State was preaching, Mr. Price says.

Man-made fibre output falls to new low

MAN-MADE fibre production fell to a new low in June of only 47m. k.g., a drop of 12.4 per cent. on the already low May total of 53.64m. k.g., according to figures published yesterday by the British Man Made Fibres Federation.

The June total compares with output of 64.21m. k.g. in June 1973, and of 55.33m. k.g. in June last year—a month which was itself badly affected by the major strike in Northern Ireland.

In June this year strikes also played some part in reducing output, together with a shortage of caustic soda, but the main factor as in previous months has been the continuing very low level of demand from the textile trade.

In the first six months of this year total output by U.K. man-made fibre producers has amounted to 277.96m. kg., 20.4 per cent. down on the same period last year. Cellulosic staple fibre production fell by 25.5 per cent. with synthetic staple down 20.7 per cent. Cellulosic and synthetic filament yarns fell 19.2 per cent. and 15.5 per cent. respectively.

Over the same period there was also a marked decline in Britain's trading surplus with the rest of the world in man-made fibres. Exports fell from £215.2m. in the first six months of 1974 to £179.3m. this year as a result of the worldwide decline in textile demand. Imports recorded a slight increase in value from £165.5m. in the January-June period last year to £169m. in the same period this year.

Conference moves after ban

AN INTERNATIONAL textile industry conference planned for Bombay has been called off because of the Indian Government's refusal to allow Israel to be represented, it was said in London yesterday.

Mr. Tom Normanton, senior vice-president of the International Federation of Cotton and Allied Textile Industries, said: "We refuse to submit to this kind of blackmail and our members, without exception, have agreed that we should switch the conference from Bombay to Zurich."

Mr. Normanton, Conservative MP for Cheadle, said the £500,000 conference scheduled for November 24-28 would have been of "immense benefit" to the Indian textile industry.

Although no official explanation had been given for refusal of a visa to the three-man Israeli deputation Mr. Normanton said he assumed that India, and especally Mrs. Gandhi, the Prime Minister, had succumbed to pressure by the Arabs.

High jobless, falling inflation rate forecast

BY MICHAEL BLANDEN

A "SLOW IMPROVEMENT" is taking place in the U.K.'s economic performance. But the outlook for the next 10 years includes a continued relatively high level of unemployment, though with a reduction in the rate of inflation, and there is a need for a system of "national forecasting and planning."

These conclusions are reached in a detailed study produced by the Henley Centre for Forecasting with the support of the Berger Group. The centre, headed by Mr. James Morrell, concludes that the improvement in Britain will be more apparent in the 1980s. Other countries will grow faster, but Britain will still be a good place to live.

"Like the school 'end of term' report, however, the verdict remains 'could do better'," the report maintains. Britain has considerable potential but lacks the political structures to ensure its full development.

The report foresees a permanently higher rate of unemployment over the next decade, at a level of around 600,000 or 2½ per cent. of the working population in the 1980s. This will be dictated, it is suggested, by the changing priorities in official policy brought about in the short term by the level of inflation and the problem of paying for oil.

Contracts

The report also predicts, however, that the level of inflation will gradually drop back to only 7 per cent. a year in the 1980s. And it foresees that North Sea oil will have a major impact on the economy, and particularly on the balance of payments.

Taking all the implications into account, North Sea oil will improve the balance of payments on account of oil alone by £6bn. in 1980 and more than £10bn. in 1985. In addition, gas will replace imported oil, increasing the payments gain. Even taking into account the burden of accumulated debt arising from the development of the oil and the profit outflow, it is reckoned that the net payments gain should exceed £5bn. a year.

Overall, North Sea oil is expected to improve the U.K.'s standard of living through a direct increase in oil output, a greatly improved payments position, lower direct taxation, higher spending and faster growth in home output in total.

In the immediate future, the report argues that in order to eradicate inflation, labour legislation to limit strikes and honour contracts is "an essential partner to limitation of money supply."

It goes on to advocate a cut in the public sector deficit involving the transfer of some public services in the social field back to the individual, the curbing of "local authority bureaucracies," and changing the structure of public owned industries so that part of the equity can be privately owned and the organisation can run on commercial lines.

"Britain in the 1980s." The Henley Centre for Forecasting. 365 pages; £60.

Pub takings up 27% in June

BRITAIN'S PUBS are faring far better than any other sector of the catering industry at the moment. hWile business in the restaurants and fish and chip shops remains sluggish, the pubs have been pulling in more and more of the trade. In June of this year pub spending was up 27 per cent. on the same month of 1974.

Latest figures from the Department of Industry show that overall catering business was up 5 per cent. in the second quarter of this year compared with the first three months. On a comparison with a year ago (second quarter for each year) canteens were up by 17 per cent., restaurants by 14 per cent., hotels and holiday camps by 16 per cent. and pubs by 22 per cent.

More migrants to Wales

A TOTAL of 1,450 people migrated to Wales from the rest of Britain in 1970, according to a new report from the 1971 Census issued to-day.

This gain was the result of 42,490 entering Wales, but only 41,040 leaving, says the report issued by the Office of Population Censuses and Surveys. The number of immigrants to Wales from the rest of Britain was up by 16 per cent. from the comparable year before the 1966 Census.

Three cleared in company secrets trial

IN COMPANY SECRETS TRIAL THREE MEN alleged to have tried to sell the future plans of Rank Xerox, the electronics company, to its largest competitor, were acquitted and discharged at the Old Bailey yesterday.

Leopold de Vries, 30, a clerk, of Stanley Road, Wembley, was found not guilty by the jury of conspiring to defraud Rank Xerox by dishonestly appropriating or disclosing copies or extracts of the company's plan for International Business Machines between September and November 1973.

The jury was unable to agree in respect of the two other men who had also denied this charge. They were Anthony John Read, 25, of Pitshanger Lane, Ealing, and Mervyn Henry Treloar, 28, an employment consultant, of Swinderby Road, Wembley.

Mr. Tudor Price, prosecuting, told Judge Marnan, QC, that as this was the second jury which had been unable to agree over Read and Treloar, the Crown would not ask them to stand trial a third time and therefore asked that a verdict of not guilty should be entered on their behalf. This was done by the judge, and like De Vries, they were discharged.

The first jury was unable to agree concerning all three men, last April, and after a two-week trial the second jury reached its verdict concerning De Vries after three hours 45 minutes.

New output peak at three pits

THREE PITS in Derbyshire, Nottinghamshire and Leicestershire have set productivity records, the National Coal Board announced yesterday.

At Welbeck Colliery, near Mansfield, the men turned out 15,081 tons in five days, 1,500 tons more than the previous best only two weeks ago.

At Bagworth Colliery in Coalville, Leicestershire, there was a record output of 23,713 tons which beat the previous best of 23,127 in December. Ireland Colliery, near Staveley, Derbyshire, produced 12,168 tons, to set a new record of 85.7 cwts per man shift.

Motorists making cars last longer

By Terry Dodsworth

MOTORISTS are hanging on to their cars longer, buying second-hand vehicles rather than new, and concentrating their spending on spares and servicing.

This is the conclusion to be drawn from Department of Industry figures issued yesterday.

The statistics show that, in money terms, new vehicle sales rose by only 10 per cent. in the second quarter of 1975 compared with the same period last year.

But at the same time, turnover for used vehicles was 24 per cent. higher, while other sales and receipts (petrol, oil, tyres, spares and accessories) rose by 23 per cent.

The experience of the wholesale and retail parts of the motor trade this year bears out these figures. While the manufacturers have been badly hit by falling sales of new cars, many of the distributors and dealers who have diversified into second-hand car dealing have managed to ride the slump.

'Ban public from certain Commons rooms'

BY RICHARD EVANS, LOBBY CORRESPONDENT

FOR SECURITY reasons, a House of Commons select committee has recommended that interview rooms below the Commons chamber should be banned to the public.

To replace the lost accommodation, the committee recommends in its report published yesterday that more rooms that can be used by MPs for public meetings should be constructed in another part of the palace near Westminster Hall.

The recommendation has been made following the bomb explosion in the Westminster Hall annexe in June 1974 which destroyed part of the hall roof and several nearby rooms.

The MPs found from evidence given that the interview rooms in their present position "constitute a serious threat to security." They add that some rearrangement of accommodation was therefore unavoidable.

Fourth report from the select committee on House of Commons Services: The Redevelopment of Westminster Hall Annexe and the Interview Floor below the Chamber. Session 1974-75. S.O. 20p

Scottish-built buses cut Tyne transport costs

TYNE AND WEAR Passenger Transport Executive yesterday took delivery of three Scottish-made double-decker buses at a cost of £17,000-£18,000 each, compared with £20,000 for a conventional British Leyland vehicle.

The three buses will be used later this month on routes in Newcastle but will later serve for trial periods in South Shields and Sunderland.

The 79-seaters are powered by Swedish engines, built mainly of British components, and have been designed and built by Ailsa Bus at Irvine, Ayrshire.

Aluminium stocks steady in June

BY RHYS DAVID

STOCKS OF aluminium around the world remained at virtually the same level in June as in the previous month—the first sign for more than a year that supply and demand for the metal may be coming back into balance.

Since June last year stocks of primary aluminium have more than doubled from 1.32.6m. tonnes to 3.236m. tonnes as a result of the world-wide recession and its effect on big aluminium-using industries such as motor vehicles and construction.

In June, however, primary stocks rose only a further 19,000 tonnes from the May figure of 3.217m. tonnes and total stocks including scrap metal in process and mill products rose only 3,000 tonnes from 4.785m. tonnes to 4.788m. tonnes, according to the latest statistics published by the International Primary Aluminium Institute in London.

One important reason for this has been the continued production cutbacks by the big producers as a result of which the industry's overall operating rate in June was reduced to around 78 per cent., compared with around 81 per cent. in January.

In addition, however, the process of de-stocking appears to have come to an end in some markets, with the result that demand has now settled near the very much reduced levels of production.

Another sign of some confidence returning is the decision by the main North American producers to increase their prices in the U.S. by 2 cents per pound for primary aluminium to 41 cents—the first price rise for nearly a year.

The increases which also apply to semi-fabricated products were announced at the beginning of July and became operative on August 11, following a period of delay imposed at the request of the U.S. Council on Wage and Price Stability.

The slowdown in stockbuilding apparent in June took place generally throughout the world. In Europe total stocks climbed only 4,000 tonnes to 1.248m. tonnes, compared with 1.244m. tonnes in May and 744,000 tonnes in June last year. Primary stocks rose from 894,000 to 896,000 tonnes.

In East Asia (which includes Japan) total stocks rose by 1,000 tonnes to 447,000 tonnes. In North America total stocks actually declined from 2.767m. tonnes in May to 2.745m. tonnes in June and primary stocks fell by 1,000 tonnes to 1.665m. tonnes.

£1,000 grants to finance shop price monitoring

LOCAL AUTHORITIES are being offered central Government grants of up to £1,000 each to carry out regular checks on comparative prices in shops in their areas. This is in addition to the £1.4m. grant towards setting up local consumer advice centres, foreshadowed in the Government's White Paper on fighting inflation.

The scheme, which was outlined in a letter to local authorities at the weekend, was immediately criticised by the trade. Mr. Len Reeves-Smith, chief executive of the National Food and Drink Federation, described the exercise as "useless time-consuming and confusing."

The idea is that local authorities should monitor the prices of about 20 items in a cross-section of shops. The results of the surveys, which could be carried out by independent consumer groups in the area if the local authority itself has not the manpower to do it, would be publicised.

Mr. Reeves-Smith said the value of the price displays would be "minimal" where fresh food was concerned and the cost of the surveys would be "phenomenal." The Government, he said, should keep out of the market place "and leave us to do the job we can do so supremely well."

Mrs. Shirley Williams, Secretary for Prices, however, is known to think that such price comparisons are a useful guide to the consumer—a view she shares with most consumer groups and the TUC. There is a genuine worry, however, that such studies may hit the smaller shops

APPOINTMENTS

PUBLIC NOTICES

LABOUR NEWS

● NEWS ANALYSIS—THE PRESS

The battle of Birmingham

BY JOHN WYLES

THE ROW over the Labour Party's refusal to issue credentials for its October conference *to reporters from* the Birmingham Post and Evening Mail who have continued working throughout a six-week official dispute has thrown the spotlight on an increasingly bitter conflict between the newspapers' management and some 250 of its journalists.

Not surprisingly, both sides were still too pre-occupied yesterday with the continuing search to find a peace *formula to* give much thought to the wider debate over whether the actions of Mr. Percy Clark, the Labour Party's director of publicity, constitute a threat to established principles of Press freedom.

As far as the journalists are concerned, Mr. Clark's ruling on credentials is a welcome gesture of solidarity which shows that the Labour Party's heart can still be in the right place when *trade union members* are involved in an official dispute.

For the management, the row may not be altogether unwelcome if it leads to behind-the-scenes pressure on the journalists to reach a quick compro*mise. It would also* spare the Labour Party any further embarrassing headlines.

But so far compromise has been hard to find in a dispute which started as little more than a fairly routine disagreement over pay between a group of provincial journalists and their employers.

The disagreement led to unofficial industrial action by the Birmingham journalists which was followed swiftly by the dismissal of more than 200 of them. This has left both sides deeply entrenched in positions which the Advisory Conciliation and Arbitration Service is still labouring to reconcile.

The origins of the clash lie in a claim last September by the National Union of Journalists chapel (office branch) at the Birmingham Post and Mail newspaper for a review of their "*house*" agreement which provides for a locally negotiated system of pay rates built on scales agreed nationally between the Newspaper Society, representing all provincial newspaper *employers, and the NUJ.*

Talks dragged on for several months and after assessing the impact of an 18 per cent. national pay deal on their wage bill, the employers offered an extra £13,500 a year lump sum to be distributed as the 260 journalists wished.

Claiming that the offer was worth no more than a £1-a-week rise for all, the journalists rejected it and staged a series of disruptive mandatory chapel meetings just before the issue was due to go to the provincial newspaper industry's own conciliation machinery.

As far as the management was concerned, the journalists were breaking their contracts of employment and so the dismissal notices were issued. This move *was almost certainly based on the* calculation, which has since proved to be true, that the Birmingham Post and Evening Mail could continue publication through the efforts of about a dozen *editorial staff comprising* members of the Institute of Journalists, who are not directly involved in the dispute, some non-union members, and the editors of the two newspapers.

The continued appearance of the two newspapers is seen as a daily affront by the journalists and is testimony both to their relative bargaining weakness and their failure to win any substantial support from the printing workers in the Birmingham offices.

This inability to prevent publication in a major dispute because of the efforts of senior editorial staff is one of the factors behind separate pressure from some of the NUJ's provincial members for a closed shop and mandatory union membership for newspaper editors.

After six weeks out of work the attitude of the Birmingham journalists has been clearly hardened by management's insistence that it cannot afford to *improve its pay offer* and by the general frustration of manning 24-hour pickets outside a building still producing about 400,000 copies of the two newspapers each day.

Tempers were already seriously frayed a fortnight ago when pickets clashed with police and ten journalists were fined up to £20 for offences under the Public Order Act.

In conciliation talks last week the journalists were insisting on payment for the six weeks since they were dismissed and this has raised some questions *in Birmingham* about the tactics of their local leadership, coupled with allegations of Trotskyist influence on the chapel committee.

Towards the end of last week *it appeared that a formula might* be agreed based on seeking a ruling from a QC on the legality of the dismissal notices. But this was rejected by the journalists because they were required to give prior undertakings that they *would not take actions for wrongful dismissal.*

The row in Birmingham has left the London staff of the two newspapers in a curiously anomalous position which is to some *extent responsible for the fracas* over credentials for the Labour Party's conference.

Because they have not been directly involved in either the Birmingham pay negotiations or *the chapel meetings, the London* journalists have been attending their offices, receiving their salaries, but not been writing for either newspaper.

But it was the London office which asked Mr. Clark for the conference credentials and which received his reply that he would only issue them to NUJ members able to attend if the dispute in Birmingham was still in progress *in six weeks time when the conference* takes place.

By this he meant that he would be happy to see the political and industrial staffs of the two newspapers, who are based in London and made up of NUJ members, providing they maintained their policy of not writing stories during the dispute.

However, Mr. Clark has left the Labour Party open to charges of censorship and infringing Press freedom by insisting on a right to ensure that only NUJ members and no other editorail staff from the Birmingham Post and Evening Mail have the opportunity to report on the party's conference.

Moreover, he is attempting to limit distribution of the party's press handouts by releasing them only to news agencies which are agreeing to boycott Birmingham.

These decisions are being seen by Mr. Clark's critics as particularly inflammatory at a time when the Government's proposed closed shop legislation on the freedom of the press is a subject *of acute controversy.*

Meanwhile, Mr. Clark's Press counterparts at Conservative Central Office and the Liberal Party's headquarters yesterday displayed a lofty indifference to his problems. Both insisted that their conferences were open to all "bona fide" journalists.

Damages plan for coloured workers

BY CHRISTIAN TYLER, LABOUR STAFF

COLOURED workers who can prove racial discrimination will be able to claim damages of up to £5,200 through industrial tribunals if the Government goes through with expected revisions of the Race Relations Act.

A White Paper next month is expected to suggest for victims of racial discrimination the same recourse as proposed for women *workers in the Sex Discrimina*tion Bill, which is due to be enacted by the end of this year.

Harmonisation of the two sets of law, already promised by the Home Secretary, could well lead to a big increase in the number of race complaints argued out in public.

At present the role of the Race Relations Board is more conciliatory than prosecuting. In its last year the board received *1,050 complaints* — half of them employment cases — but only five reached the courts.

Of these, two were won in the county court and a third on appeal to the House of Lords. The others were lost.

Whether the change in the race laws envisaged produces more hearings or not, it will certainly be easier for individuals to act on their workplace grievances. They will be able to go direct to industrial tribunals—much as they already do for cases of unfair dismissal and the like.

At present they must first apply to the Race Board, which considers whether to take the case to county court.

The maximum damages that an industrial tribunal can award is £5,200. In non-employment discrimination cases, the county *courts would continue to be the* arbiters. Here there is no set limit to the damages that can be awarded.

Changes to the 1968 Race Relations Act will probably come next year, after enactment of the *Sex Discrimination Bill.* Other powers to be invested in an Equal Opportunities Commission under the Sex Bill are likely to be granted to the Race Relations Board, which has long complained that it lacks procedural teeth.

Miners strike after closure of face

BY OUR NEWCASTLE CORRESPONDENT

THE 1,300 miners at Bates Colliery at Blyth, Northumberland, went on strike yesterday after a decision by the National Coal Board to close a face which has become *geologically difficult* to mine.

The NCB said the face was uneconomical and had contributed towards a £1.1m. loss at the big coastal pit in the first four months.

Mr. Bob Main, Northumberland secretary of the National Union of Mineworkers, said the *strike was not so much against* the decision to close the face, as over the lack of proper consultation. The men fear that the closure could shorten the life of the pit.

The NCB denies lack of consultation and says the men's fears are unfounded.

● Delegates from collieries in Northumberland have endorsed the decision of the NUM national executive to recommend a vote in favour of supporting the Government's £6 pay limits.

Motorists may be hit by AA patrolmen's dispute

MOTORISTS whose cars break down over this week-end's summer bank holiday are likely to face a long wait fo rAutomobile *Association patrolmen, many of* whom are threatening to impose sanctions in support of a pay demand.

The AA staff association, which represents about 4,000 AA staff including most of the 2,500 *patrolmen, has called a work to* rule and overtime ban to begin on Friday and last through till Tuesday morning because of the management's refusal to meet a claim for a £5-a-week interim pay increase before their next *January annual settlement.*

In the meantime there will be further talks between the staff association and the AA, which has made the point that not only can it not afford to meet the demand—which would add more *than £3m. to its annual wages* bill—butt hat any interim increase would be in breach of the Government's pay policy which says there must be 12 months between settlements.

A management spokesman saidt he proposed action was "*regretted*" especially ast he matter was to be the subject of arbitration by the Advisory, Conciliation and Arbitration Service early next month.

Extra overtime at Ford plant

DAY SHIFT workers at Ford's Halewood plant in Liverpool are to work an extra hour's overtime for the next three days to help replace car body stocks lost during stoppages last week.

A dispute over manning levels in the door hangers section held up production until Thursday, *when management agreed to re*view the situation. The extra overtime will be worked by 1,300 men in the body stamping plant.

ASTMS officers call off strike against own union

BY CHRISTIAN TYLER, LABOUR STAFF

FULL-TIME officers of the Association of Scientific, Technical and Managerial Staffs called off a two-and-a-half week strike against their union *yesterday.*

They went back to work after preliminary adjudication by an independent arbitrator on the case of Miss Judy Cotter whose contract had been ended, after a six-month probationary period, by Mr. Clive Jenkins, ASTMS general secretary.

The arbitrator, Dr. Bill McCarthy of Oxford University (who chaired the railwaymen's pay tribunal) has not yet ruled on the girl's "suitability." But he said she should be paid her normal salary of around £60 a week from the date of her dismissal, July 31, until the full *hearing begins on September 8,* according to a spokesman for the officers.

The officers themselves have lost their pay for the period of their unprecedented strike.

Mr. Don Groves, the officers' *spokesman, said the three-man* tribunal would hear about the handling of disciplinary cases in general as well as Miss Cotter's own case in order to make sure the situation did not occur again. "We have lost a lot of blood over this," he said.

Forester gains architect post

MR. DUNCAN CAMPBELL, a 39-year-old forester, has been appointed to the new post of landscape architect with the Forestry Commission, which controls 3m. acres.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various *currencies on August 18, 1975.* In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) *commercial* rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place	Local Unit	Value of £ Sterling
Afars & Issas	Djibouti Franc	368.0 (sg)
Afghan'tan	Afghani	160 (A)
Albania	Lek	(O) 10.10 (A); (T) 25.25 (A)
Algeria	Dinar	A 8.2950 (sg)
Andorra	French Franc	9.20½
	Spanish peseta	122.80
Angola	Ang. Escudo	55.75
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm) 70.65; (fn) 88.75
Australia (S)	Australian $	1.6486
Austria	Schilling	38.20
Azores	Portug. Escudo	55.75
Bahamas (S)	Ba. Dollar	2.1151
Bangladesh (S)	Taka	[illegible] (sg)
Bahrain (S)	Dinar	0.8335
Balearic Is.	Spa. Peseta	122.80
Barbados (S)	Barbados $	4.28435
Belgium	B. Franc	(cm) 80.65; (fn) 83.45
Belize	B$	4.0
Bermuda (S)	Bda. $	2.1085
Bhutan	Indian Rupee	18.5398 (sg)
Bolivia	Bolivian Peso	42.17
Botswana (S)	S. A. Rand	1.5056
Brazil	Cruzeiro	17.42
Br. Solmn Is. (S)	Australian $	1.6486
Br. Virgin Is. (S)	U.S. $	2.1085
Brunei (S)	Brunei $	5.2465
Bulgaria	Lev	(O) 2.10; (T) 2.68
Burma	Kyat	(A) 15.80 (sg)
Burundi	Burundi Franc	165.15
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	460¼
Canada	Canadian $	2.1925
Canary Is.	Spanish Peseta	122.80
Cape Verde Is.	Cape V. Escudo	55.75
Cayman Is. (S)	Cay. I. $	1.7577
Cent. Af. Rp.	C.F.A. Franc	460¼
Chad	C.F.A. Franc	460¼
Chile	C. Escudo	(Bk) 12,232; (T) 12,654
China	Renminbi Yuan	4.0979
Colombia	C. Peso	(F) 68.60
Comoro I'ds	C.F.A. Franc	460¼
Congo (B'ville)	C.F.A. Franc	460¼
Costa Rica	Colon	18.1551
Cuba	Cuban Peso	1.74816
Cyprus (S)	Cyprus £	0.8056
Czechoslov'kia	Koruna	(com) 12.25; (n/c) 12.24; (T) 21.42
Dahomey	C.F.A. Franc	460¼
Denmark	Danish Krone	12.55¼
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.1085
Ecuador	Sucre	(O) 52.45; (F) 52.71
Egypt	Egyptian £	(O) 0.8378155; (T) 1.4956
Ethiopia	Ethiopian $	(P) 4.3696
Eq'l Guinea	Peseta	122.60
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	12.55¼
Fiji Is. (S)	Fiji $	1.7797
Finland	Markka	7.98
France	French Franc	9.20½
Fr. C'tyin Af. ◆	C.F.A. Franc	460¼
Fr. Guiana	Local Franc	9.20½
Fr. Pac. Is.	C.F.P. Franc	167.55
Gabon	C.F.A. Franc	460¼
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	6 (A)

Place	Local Unit	Value of £ Sterling
Germany (West)	Deutschemark	5.41½
Ghana (S)	Cedi	2.42
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.6466
Greece	Drachma	69.695
Greenland	Danish Kroner	12.55¼
Grenada (S)	E. Caribbean $	4.80
Guadeloupe	Local Franc	9.20½
Guam	U.S. $	2.1085
Guatemala	Quetzal	2.1085
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.21
Haiti	Gourde	10.5425
Honduras Rep.	Lempira	4.217
Hong Kong (S)	H.K. $	10.665
Hungary	Forint	(com) 104.41; (nc) (T) 49.07
Iceland (S)	I. Krona	336.75
India (S)	Ind. Rupee	18.5398 (sg)
Indonesia	Rupiah	876.0275
Iran	Rial	(A) 146.0
Iraq	Iraq Dinar	0.62203
Irish Rep (S)	Irish £	1.00
Israel	Israel £	15.2194
Italy	Lira	1,408¼
Ivory Coast	C.F.A. Franc	460¼
Jamaica (S)	Jamaica Dollar	1.9154
Japan	Yen	623
Jordan (S)	Jor. Dinar	0.670 (sg)
Kenya (S)	Ken. Shilling	15.8582
Korea (Nth)	Won	n.a. (z)
Korea (Sth)	Won	1,017.87
Kuwait (S)	Kuwait Dinar	0.618
Laos	Kip	n.a.
Lebanon	Lebanese £	4.725
Lesotho	S. African Rand	1.5056
Liberia	Liberian $	2.1925
Libya	Libyan Dinar	(P) 0.6242
Liecht'nstein	Swiss Franc	5.61¾
Luxembourg	Lux Franc	80.55
Macao	Pataca	12.7625
Madeira	Portug'se escudo	55.75
Malagasy Rp.	MG Franc	460¼
Malawi (S)	Kwacha	1.6669
Malaysia (S)	Malaysian $	5.518
Maldive Is. (S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	920.5
Malta (S)	Maltese £	0.852087
Martinique	Local Franc	9.20½
Mauritania	Ouguiya	◆
Mauritius (S)	M Rupee	13.55
Mexico	Mexican Peso	26.34
Miquelon	C.F.A. Franc	460¼
Monaco	French Franc	9.20½
Mongolia	Tugrik	(O) n.a. (g); (T) n.a.
Montserrat	E Caribbean	4.80
Morocco	Dirham	8.45 (sg)
Mozambique	Moz. Escudo	55.75
Nauru Is.	Aust. Dollar	1.6486
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	5.563¼
Neth. Ant'les	Antillian Guild	3.7742
New Hebrides	Franc	148.77
	Aust. Dollar	1.6486
N. Zealand (S)	N.Z. Dollar	1.9769
Nicaragua	Cordoba	15.32
Niger Rp.	C.F.A. Franc	460¼
Nigeria (S)	Naira	1.387265 (sg)
Norway	Norwg Krone	11.51½
Oman Sultanate of (S)	Rial Omani	0.731
Pakistan (S)	Pkst. Rupee	20.49 (sg)
Panama	Balboa	2.1085
Panama Canal Zone	U.S. $	2.1085
Papua N.G. (S)	Aust. Dollar	1.6486

Place	Local Unit	Value of £ Sterling
Paraguay	Guarani	265.20
P'p'le's D. Rp. of Yemen (S)	S. Yemen Dinar	(A) 0.72
Peru	Sol	(ex) 81.60; (A) 91.68*
Philippines	Ph. Peso	15.86
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.9769
Poland	Zloty	(B) 42.60; (T) 69.72
Portugal	Pgse Escudo	55.75
Port Timor	Timor Escudo	55.75
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	2.1085
Qatar (S)	Qatar Ryal	8.31
Reunion, Ile de la	French Franc	9.20½
Rhodesia	Pound ●●	n.a.
Romania	Leu	(cm) 10.46; (n/c) T 25.68
Rwanda	Rwanda Franc	215.82
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	1.0
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	460¼
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.22
Samoa (Am.)	U.S. $	2.1085
San Marino	Italian Lira	1,408¼
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	7.375
Senegal	C.F.A. Franc	460¼
Seychelles	S. Rupee	15.55
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.2465
Somali Rep.	Som Shilling	(A) 15.65 (sg)
Sth. Africa (S)	Rand	1.5056
S. W. Africa Territories (S)	S. A. Rand	1.5056
Spain	Peseta	122.80
Span. Ports in North Africa	Peseta	122.80
Sri Lanka (S)	S. L. Rupee	15.565 (sg) ◆◆
Sudan Rp.	Sudan £	(A) 0.73295 (sg)
Surinam	S. Guilder	3.7742
Swaziland (S)	Lilangeni	1.5056
Sweden	S. Krona	9.08½
Switzerland	Swiss Franc	5.61¾
Syria	Syria £	(A) 7.86 (sg)
Taiwan	New Taiwan $	(P) 80.1236
Tanzania (S)	Tan. Shilling	15.05
Thailand	Baht	42.8175
Togo Rp.	C.F.A. Franc	460¼
Tonga Is. (S)	Pa'anga	1.6765
Trinidad (S)	Trin. & Tobago	4.80
Tunisia	Tunisian Dinar	0.890 (sg)
Turkey	Turkish Lira	31.0625 (sg)
Turks & C'os	U.S. $	2.1085
Uganda (S)	Ug. Shilling	15.0641
Utd. States	U.S. Dollar	2.1085
Uruguay	Uruguay Peso	(cm) 6.12; (fn) 6.88
Un'd A'b Emts	U.A.E. Dirham	8.35
U.S.S.R.	Rouble	1.59
Upper Volta	C.F.A. Franc	460¼
Vatican	Italian Lira	1,408¼
Venezuela	Bolivar	9.05 (x)
Vietnam (Nth)	Dong	(O) n.a. (g); (T) n.a. (g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.1085
Western Samoa (S)	Samoan Tala	1.2582
Yemen	Ryal	9.50 (sg)
Yugoslavia	New Y Dinar	37.2588
Zaire Rp.	Zaire	1.05425
Zambia (S)	Kwacha	1.354627

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ *Rupees per pound.* Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent regime on February 17, 1970. Recent reports suggest a rate of about 1.20 Rh dollars to £1.

◆ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rate; oil and iron exports 8.3557.

(z) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnam dong at 0.308 roubles, and the North Korean won at 0.7498 roubles. With the pound standing at 1.59 roubles, the following relationships could be calculated for the pound: £1=6.98 tugriks; £1=5.13 dongs; £1=216 won.

♥♥ Information not available for this edition.

* Rate is the Transfer market (controlled).

** Rate now based on 2 Barbados $ to the dollar.

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FILM AND VIDEO BY JOHN CHITTOCK

Incompatibility threatens video disc growth

AS THE videocassette revolution still struggles to gather momentum, a repetition of its technical, financial and public relations battles looms for the video disc. The parallels are almost inescapable. Video cassettes, now generally based on videotape recording, allow playback of television programmes over a standard TV receiver—also, in tape systems, direct recording of TV programmes. The extensive adoption of such technology by industry and education is now inevitable, mainly for communication purposes. But the consumer market remains almost non-existent. Reasons for slow growth of this new medium are numerous: too many rival, incompatible systems; non-arrival of a large choice of ready-made programmes (producers are waiting for the growth in sales of videocassette machines—which have been hampered by this same shortage of programmes); technical unreliability of early machines; high cost of equipment (from £350 to more than £1,000); and the economic climate.

The same sort of problems could soon be facing the video disc, which provides a television playback facility from records which are similar in appearance to audio discs. The disc offers economic advantages over cassettes, with copy costs extremely competitive.

Available

At present, only one video disc system is commercially available, that of the Telefunken Decca consortium and known as TeD. After a false start in 1974, TeD players went on sale in West Germany last March and should become available in Sweden in the autumn. Sales so far are known to have been slow.

The TeD system provides a 10 minute colour programme from a thin plastic disc resembling a flimsy 45rpm audio record. It will just fit into an A5 magazine and is flexible and light enough to be posted in this form. It also provides a freeze action device, enabling any movement to be stopped and displayed, or a very short movement to be repeated automatically. Picture quality is now about as good as many domestic viewers expect to see in their homes. Price of the players is about £270, and 10-minute discs sell for about £2.

The problem for TeD is that it now finds itself in a similar position to the first commercially available videocassette system, EVR, originally pioneered by CBS and CIBA-GEIGY. As a system, EVR worked well enough, but it was soon followed by rival videocassette equipment, notably the Philips VCR and Sony U-Matic, both yielding technical advantages including the facility of recording. More systems followed, with manufacturers all over the world taking rival stakes, and EVR is now behind in the race.

A similar situation has been reached with the video disc. TeD's greatest rival is the Philips video disc, so remarkably similar to that of MCA's in the U.S. that Philips and MCA have now done the sensible thing and announced a joint marketing operation. The Philips/MCA video disc as seen so far, prior to production models, is technically superior to TeD. It yields excellent colour pictures, offers possibly up to 60 minutes playback time from one disc, and, most remarkably of all, any one of the 90,000 single "frames" or pictures that comprise a 60-minute programme can be accurately called up at the touch of a button for display as a colour still. Each frame carries an electronic code-marking, which is displayed on a separate digital counter, and retrieval is simply by pressing the appropriate numbers on a small keyboard.

The Philips/MCA system is supposed to be ready commercially in the autumn of 1976—initially only in the U.S. But many people in the industry doubt that this target date will be achieved, partly because the method of "reading" the signal information on the disc is done optically by a laser and involves precise technology. The TeD system is electro-mechanical, using a stylus in extremely fine grooves.

Nonetheless, the Philips/MCA system is backed by the programme resources of MCA's Universal Picture library (over 11,000 titles), all of which MCA are claiming can be made available. Additionally, Thomson-CSF in France and Zenith in the U.S.—both of which have been developing their own video disc systems—are now apparently resolved to follow the Philips/MCA standard, ensuring compatibility between their different makes.

The situation therefore looks good for Philips/MCA, with preproduction models now ready. But the disappointments of the videocassette business, precipitated by so much senseless competition between incompatible systems, could threaten the rapid growth of the video disc industry. Strongest rival of TeD and Philips/MCA is the video disc system that RCA has developed. In this the signal information is carried as tiny variations in electrical capacitance rather than optical or mechanical modulations. I have not seen the RCA disc, but it is claimed to yield very good picture quality; yet since, to my critical eye, the Philips/MCA is as good as I would ever want domestically, the point is academic.

As if three rival systems were not enough, there are also at least two more from Germany—that of Bosch, claimed to be capable of broadcast quality standards and MDR (Bogen), which uses a magnetic disc. Additionally a French system called SEPO has been announced and another in U.S., that of I/O Metrics (again optical). Realistic businessmen must know that in this kind of race, technological advantage ceases to have any meaning and that it is those with the marketing advantages which finally win.

Mass medium

The video disc is a mass medium unlike the video cassette, and programme distributors are unlikely to think seriously in runs of less than 1,000 copies. But duplication on long runs can be actually cheaper than audio records, due to the use of continuous rather than batch production methods. What the video disc is really offering in the future is not simply a new idea with certain conveniences, but a dramatically cheap method of storing information—either as TV programmes, colour stills or even printed data. It has been calculated that on a production run of 5,000 video discs, some 11,541 colour still frames would be provided at a cost—per disc—equal to that of just one 35mm. colour transparency. In a cost-effective world, advantages of this order could mean that the market for the video disc will become more important than that of the television set into which it plays.

APPOINTMENTS

Tradewinds Airways changes

Mr. L. Marson and Mr. D. Jarvis have vacated their seats on the Board of TRADEWINDS AIRWAYS and have been replaced by Mr. A. L. Batchelor and Mr. G. R. Towse, of the Crown Agents. A major shareholding in Tradewinds is held by Four Millbank Investments, a subsidiary of the Crown Agents for Oversea Governments and Administrations.

★

Mr. David F. Needham has been elected chairman and Mr. Michael A. Hartley, vice-chairman, of the BRITISH WATER AND EFFLUENT TREATMENT PLANT ASSOCIATION for 1975-76.

★

Mr. W. Kennedy marketing director of JOSHUA WILSON AND BROS., retires at the end of this month.

★

SPECIALISED TRAVEL (OVERSEAS) has made the following Board appointments: Mr. P. Edgington, as joint managing director (operations); Mr. A. Cathcart, joint managing director (sales); and Mary Minzly, director, hotel services.

★

Mr. Guy Huntrods has resigned from the Boards of the ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY COMPANY and its subsidiaries to take up another position.

★

Mr. W. M. A. Conran has been appointed commercial director of HOWARD ROTAVATOR COMPANY.

★

Mr. J. H. Devine has joined the Board of LESLIE AND GODWIN (LIFE AND PENSIONS).

★

Mr. M. Brunckhorst, chief general manager in Australia of the AUSTRALIA AND NEW ZEALAND BANKING GROUP, has been appointed a director.

★

Mr. Jeremy Lancaster has been appointed deputy chairman of WOLSELEY-HUGHES.

HOME CONTRACTS

£2.65m. Hants. Council work

HAMPSHIRE CONTRACTORS, part of the Hantscon Group, has been awarded a £2.65m. contract by Hampshire County Council for 295 dwellings at Basingstoke. Work is due to commence in September.

★

MEDWAY BUILDINGS has received two contracts from the North Western region of the Central Electricity Generating Board worth together over £450,000. One is for an amenity building at its new regional headquarters at Stockport (£257,000). The other is for a technical service workshop at Kearsley power station (£196,000)

★

BALFOUR BEATTY POWER CONSTRUCTION (a BICC company) has received an order worth £360,000 from the Central Electricity Generating Board, Guildford, for the design, supply and installation of eight sets of 11kV generator main connections for three gas turbine generating stations, at Letchworth, Watford and Ocker Hill

★

EMI SOUND AND VISION EQUIPMENT, of Hayes, Middlesex, has won a contract worth £99,000 to supply 16 batwing-panel television antennas to the Independent Broadcasting Authority. These will be installed in remotely-controlled transmitting stations, from Devon to Scotland, and will extend both IBA and BBC colour TV coverage in areas where previously reception has either not been possible or, because of local conditions, has been of reduced quality.

Concern over jobs when reactor closes

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE U.K. ATOMIC Energy Authority has decided to close its Dounreay fast-breeder experimental reactor in October next year. The decision, which was expected, follows the successful commissioning of the authority's prototype fast-breeder reactor power station last year.

The closure will affect about 200 of the 2,000 working at Dounreay. The authority says most of the staff involved will be redeployed within the establishment, with some reduction from natural wastage.

Dependent towns

The decision has caused concern in the Caithness towns of Wick and Thurso, which have been heavily dependent on the Dounreay project since the go-ahead for the first 60-megawatt experimental station was given in 1954.

The project transformed the area into a major growth point in the far North. The population of Thurso trebled. The development office of the Highland Regional Council said the run-down, particularly if followed by further staff reductions in the years ahead, would be "absolutely disastrous."

An official explained that with male unemployment 12.5 and 7.8 per cent, respectively for Wick and Thurso, the decision was a major blow to the confidence of the area. "We shall have to redouble our efforts to secure some alternative, oil-related, employment," he said.

The small experimental reactor came into operation in 1959. The UKAEA has decided that this has served its purpose of proving the complex fast-breeder technology, testing reactor components and serving as a fuel irradiation centre.

Foreign earnings

Since 1966 it has earned some £4.5m. through its irradiation service for organisations in Belgium, France, Germany, Italy, Japan and Switzerland.

The experimental reactor has been replaced by a 250-megawatt prototype reactor which is being brought on to full power. In the light of the experience gained from the design, construction and operation of the prototype, the authority is developing a 1,300-megawatt commercial power-station design.

Review by the chairman, Mr. W. G. Boustred

Highveld increases dividend by a third

The corporation's income of R20 179 000 before providing for deferred taxation reflected a substantial improvement on the R11 166 000 earned last year. After providing R8 336 000 for deferred taxation, the net income of R11 843 000 represented a 20 per cent increase on the 1974 result of R9 906 000. The net income for the year was achieved after providing for interest charges of R4 551 000 and depreciation of R7 487 000.

In view of the improved results your board decided to increase the dividend to 10 cents a share compared with 7.5 cents declared last year. This dividend will absorb R5 751 000.

With the early and successful commissioning of the fifth iron furnace in October 1974, the production from the iron and steel works reached half a million tons. Both Mapochs mine and the Vantra division also produced at record levels.

Outputs would have been higher had operations not been adversely affected by a number of power failures and difficulties with rail transport.

The most important decision of the year was taken in November 1974 when your board announced plans to manufacture flat products. The project, expected to cost R66 million, is based on the installation of a plate mill which will enable the corporation to develop into another steel product field. It is planned to finance this expansion from cash flow and loan facilities that have been negotiated with Anglo American Corporation.

The high rate of inflation continues to cause concern and makes further steel price increases inevitable. We fully support the Government in its efforts to seek a solution to the serious problem of inflation which is compounded by the increasing participation of South Africa in international trade. This makes the solution more difficult unless progress is made on an international basis.

At the end of the financial year, the corporation had no major steel export commitments due to a large order book for domestic consumption and a fall-off in steel demand in the export markets.

The demand for vanadium remained firm throughout the year due mainly to the high activity in line pipe production as a result of the energy crisis.

Total sales revenue was R83 928 000. The value of exports was at a record level totalling R33 463 000 compared with R27 780 000 in 1974 and the previous best of R30 749 000 in 1973.

DEFERRED TAX

The provision for deferred taxation was increased during the year by R8 336 000 to a total of R9 596 000. The provision made for the year ended 30th June 1974 was substantially lower because previous losses were brought to account in determining the liability. The corporation does not expect to pay tax earlier than 1978 by reason of the accumulated capital allowances still available to it. Despite this favourable situation your board has decided that it would be prudent to raise a provision for deferred taxation out of declared income based on the ruling rate of taxation, in order that the charge for tax in later years should not absorb a disproportionate amount of income earned in those years.

VANADIUM MARKET

The year under review saw a dramatic change in the free world economies. The world steel industry operated at capacity for most of 1974, but by the second quarter of 1975, bulk steel output in the major steel producing countries was down by as much as 30 per cent and stainless steel by 50 per cent. As a result, the demand for the macro alloys such as chromium, manganese and silicon was significantly reduced. However, the demand for the micro alloys, vanadium, niobium and molybdenum, remained firm due to the pipe line developments in Alaska, Canada, the North Sea and Russia which followed the energy crisis of 1973. It has thus been possible to sell the corporation's entire output of vanadium.

The corporation continued to experience extreme difficulty in obtaining supplies of vital reagents such as sodium carbonate used in the production of vanadium pentoxide. During the year the price of this particular commodity reached four times the 1973 level. This, coupled with other major cost escalations such as labour, railage and coal necessitated further increases in vanadium prices.

South Africa's third vanadium producer came into operation during the year but there is still no firm decision on the West Australian project. The expansion projects of the major American and Finnish producers are proceeding and should start production during 1976/77. The full effect of the additional vanadium output from the corporation's fifth furnace will not be felt on the market until the second half of this calendar year. This extra output together with production from the planned sixth furnace at Highveld could give rise to an oversupply situation. However, we believe that the growth in vanadium demand stimulated by the energy crisis and the development of high strength steels for other uses should enable the market to absorb this extra production.

The Vanadium International Technical Organisation (Vanitec) continues to play a major role in the development and usage of vanadium-bearing high strength steels. The main effort is still directed towards line pipe steels and joint programmes with American and European pipe producers have been undertaken. The need to extend the use of vanadium into steels for other uses is well recognised by Vanitec and will be the subject of future programmes. In this regard it is worth mentioning that the four major American producers of micro alloys are sponsoring a conference 'Micro Alloy 75' in Washington in October this year at which the corporation's delegates would hope to learn of some further developments in the use of vanadium.

STEEL

The domestic demand for steel was heavy for most of the financial year and certain products were in short supply, but by the year end there were signs that the position was more balanced. The corporation's order book remains strong and current production programmes are designed to maximise the production of special steel qualities and the more popular mill sizes.

The tonnage of steel exported was at the same level as last year. Export prices were the highest ever achieved and profit margins were satisfactory. However, as mentioned earlier, at the year end export demand and prices were depressed and this, coupled with the full order book for the local market, resulted in the corporation having no major export commitments at the end of the financial year. It is doubtful whether there will be any significant improvement in world-wide steel demand until mid-1976.

The major expenditure programmes announced by the various South African state and quasi-state bodies such as the South African Railways and Harbours, Escom and Sasol should ensure a reasonably firm domestic demand for structural steel in the year ahead.

A comparison of this year's costs with last year's shows an overall escalation of 20 per cent resulting from increases of 31 per cent in raw material costs and 16 per cent for all other costs. On 1st January 1975, a gazetted steel price rise of 9.8 per cent became effective which, in the event, was insufficient to offset these high costs and the corporation's improved profit performance in the second half of the year was due entirely to increased production from the fifth iron furnace. Another steel price increase became effective from 20th June 1975. While this was reported as 15 per cent overall, it was only 12 per cent on the bulk of the private steel producer's product range. This differential pricing policy is not in line with overseas or past South African practice. The South African domestic steel price is still below that of most other countries and further regular increases are necessary if the country's steel industry is to remain viable.

In the marketing sphere it is perhaps worth emphasising that Highveld is able to expand its iron making capacity in units which necessitate the marketing of just over 100 000 tons of additional steel a year, thus enabling the corporation to grow with the market in the least disruptive manner.

LABOUR

Although there were slight signs of improvement in the second half of the year the overall labour situation in the country remains one of the greatest limitations to economic growth. The country's infrastructure is under heavy pressure and there is strong evidence that labour shortages are the root cause of the problem. While overseas recruiting eases the situation it is fundamental that better use be made of Black labour. Despite the progress made in certain industries it is clear that the rate of change in labour patterns must be accelerated if the country is to realise its full potential.

Highveld has continued its policy of training semi-skilled White workers as artisans through the medium of the journeyman recognition scheme, and further progress has been made on upgrading Black workers. The most significant advance has been to allow Black workers to repair refractory lined tundishes for the continuous casting plant—a step which would not have been possible without the co-operation of the Trade Unions concerned.

During the year, the White and Black labour forces covered by our house agreement, in line with others in the industry, received two wage increases, on 1st July 1974 and 25th May 1975 respectively.

SAFETY

For the second successive year the Highveld plant has won the Steel and Engineering Industries Federation of South Africa trophy in the NOSA national competition and the management of the corporation is to be congratulated on their outstanding achievement. The concept of "total loss control" has been introduced throughout the corporation in an effort to achieve further improvements in our accident performance and the consequential reduction in financial losses due to accident and damage.

EXPANSION

The fourth continuous casting machine should be commissioned by the middle of the next financial year, thus completing the R14 million expansion scheme. In addition, orders have been placed for the equipment necessary to take the present plant to its full capacity.

I have already referred to the decision taken by your board in November 1974 to proceed with a flat product expansion of the iron and steel works. The scheme, at an estimated cost of R66 million, will cover additional iron and steel making facilities and a plate mill. It is planned to have all additional units in operation by the end of calendar year 1978, following which the steel plant and mills will have greater capacity than the iron plant so that further expansion should be at a relatively low capital cost.

OUTLOOK

The coming financial year will be the first full year with five furnaces in production. The extra output, assuming a full steel order book at reasonable domestic prices and a continued satisfactory demand for vanadium, should result in a further improvement in profits.

GENERAL

On 1st November 1974, the managing director, Mr. G. Langton, resigned to take up appointment as technical director of Anglo American Corporation. Mr. Langton was associated with Highveld from the early days and with Mr. I. F. Cairns was responsible for its establishment and successful commissioning. I would like to place on record my sincere appreciation of the considerable contribution made by Mr. Langton to the success of Highveld. I am pleased to report that his experience will continue to be available to the corporation as he will remain a member of the board. Mr. L. Boyd, who continues as general manager, was appointed managing director from 1st November 1974.

Four of our senior executives, Mr. R. R. Callanan, Mr. J. Hall, Mr. D. Bruckmann and Mr. E. J. Jackson, were appointed alternate directors of the corporation.

I would like to express my appreciation to the managing director and all employees for their loyal and efficient service during the year.

Witbank,
1st August 1975.

The annual report and chairman's review may be obtained from Consolidated Share Registrars, 62 Marshall St, Johannesburg. The annual general meeting will be held at 44 Main St, Johannesburg, on Friday, 31st October, 1975, at noon

HIGHVELD
STEEL AND VANADIUM CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● **PROCESSING**

Hammering becomes a more precise technique

THE ART of hardening and strengthening metal by hammering it in the cold state has come a long way since the swordsmiths and armourers first practised it centuries ago.

Manual hammering, or peening, has long since given way to automatic equipment which achieves the same effect, much more efficiently, by projecting steel shot or glass beads in large quantities at high speed on to the workpiece.

Strict control of the size and condition of the peening media, the length of time the workpiece is exposed to the bombardment and many other factors have all to be taken into consideration when designing plant of this nature. What may well be considered as the most advanced design yet will be shown by Vacu-Blast at the Cranfield Air Show early in September.

It is being shown there because it is particularly suitable for processing the very critical components of aircraf—airframes, turbine blades, wing skin panels and so on—but it can, of course, be used in any industry where inhibition or reduction of tensile stress in workpieces is important and very strict specifications have to be met.

Vacu-Blast, part of the Allied Polymer Group, has so refined its shot-peening control system that it is now possible to measure the flow of media constantly and also to ensure that at pre-determined intervals any irregularly shaped particles are extracted before they come into contact with the surface of the component.

Control

Peening intensity varies in proportion to the media feed rate and it is essential to control it. This is achieved with the aid of an electrode fitted in the blast hose and any unusual change in flow rate is indicated by coloured lights. There is also a device which counts the hours of blasting and signals when it is necessary to check the media.

An important part of the equipment is the classifier which ensures uniformity of the media by removing dust and any particles which might have a deleterious effect on the component being treated.

The classifier is quite separate from the peening unit itself and is in two parts. In one section a series of rotary sieves remove unwanted particles while in the other the media is fed on to rotating discs from which the usable spherical particles are fed into a hopper for re-use and the irregularly shaped material extracted.

The Vacu-Peener system, as it is to be called, can be used with all Vacu-Blast's shot peening machines and the company reckons that it has brought standards of control for this type of process to such a stage that it is unrivalled.

Development of the system was carried out at the company's works at Slough, Bucks. (Slough 26511), and it took form during a three-year programme of general research into shot peening techniques.

Low-cost removal of solids

A WATER sand-filter of new concept and design, the Tenten, has been developed by Simon-Hartley of Stoke-on-Trent for the removal of low concentrations of suspended solids in large volumes of water.

In tertiary treatment, for example, concentrations of 30 ppm to 50 ppm are reduced to less than 10 ppm. The Tenten eliminates problems associated with conventional filtration systems such as rotary micro-straining and stop-start batch filtering. It avoids the need to build holding tanks for water and filtrate.

Filtration is achieved by making use of natural principles to grade the filtration medium (sand) into a coarse core surrounded by finer particles. Filtration through this naturally-formed bed of sand produces a large reduction in solids, even from effluents and process water which hitherto were considered unmanageable or difficult to treat.

The whole filtration and sand cleansing process is achieved automatically in an uninterrupted sequence—the sand-bed motion is continuous—and takes place without the aid of any moving parts within the body of the Tenten filter. Pilot and prototype Tenten units have been in operation for some time.

A standard range of Tenten filters is available for up to 95 cubic metre/h input capacity dependent on the type and quality of solids present in the filtering liquid.

The Tenton filter is British, designed and manufactured in Simon-Hartley's works at Stoke-on-Trent.

Simon-Engineering, P.O. Box 31, Stockport, Cheshire SK3 0RT. (061-428 3600).

Laboratory oven

SOLID STATE control is a feature of the latest oven from Townson and Mercer, Beddington Lane, Croydon CR9 4EG (01-684 6262).

It has a stainless steel interior measuring 21 x 15 x 14 inches, fan circulation, a maximum operating temperature of 450 deg. C and an accuracy stated to be ±1 deg. C. The outer cabinet is of aluminium. Heating elements are Tubalox.

Operating range of the oven is between 40 and 450 deg. C, but it is specifically intended for use in the range 200 to 420 deg. C, says the maker. At maximum ventilation, 2½ changes of air/minute can be obtained—useful when volatiles or fumes are evolved.

Temperature is controlled by a bi-metal thermostat. This is set by a main knob, with a secondary knob giving a 5:1 reduction for final setting. The oven is rated at 2½kV.

● **ELECTRONICS**

Fish come into sharp focus

NEW FISH finding sonar available from Redifon Telecommunications enables whole segments of fishing areas to be scanned instantly and without missing any fish. It will also identify wakes of ships and underwater objects and is adjustable for varying water temperatures.

First European fitting of the new sonar has been made on "Challenge," a 100 foot purse seiner.

Of the sector scanning type, the FSS11A covers distances up to 1,600 metres in 90 degree segments. It can be quickly panned through 360 degrees by the operator and electronically tilted from 10 degrees above horizontal to vertically straight down. Increased sensitivity over a selected range is given by stepped switching. Maximum power is 10 kW and effective interference-free reception in shallow water is available.

The retractable transducer dome can be used at speeds up to 15 knots. It is fitted with 11 transmitting transducers and 13 receiver transducers, each of which is separately and sequentially scanned. An operational feature is that only returning echos are heard. A graph recorder can be fitted to the display circuit if required.

Redifon Telecommunications, Broomhill Road, Wandsworth, London SW18 4QJ (01-874 7281).

The control unit consists of a speed display dial which can be calibrated automatically to feet or metres per minute, a digital readout in feet or metres and row preset and run counters. The footage counter is tripped in by a small switching device on the machine and, to avoid the possibility of counting part of a revolution, the neon readout does not start until the machine has completed one revolution.

More information from EMI, 135 Blyth Road, Hayes, Middx., UB3 1BP (01-573 3888).

● **PACKAGING**

Hot air shrinks the wrap

A HAND HELD hot air tool for heavy duty shrink wrapping has been introduced by Welwyn Tool Co., Stonehills House, Welwyn Garden City, Herts., (Welwyn Garden 29121).

Called the Forte S, the 10 kW tool reaches temperature in one minute and blows a 100 mm wide stream of air at 650 deg. C. It is claimed to be capable of shrinking polythene over pallet loads measuring 800 x 1200 x 1200 mm in under two minutes.

Weighing 7½ lb, the tool requires a three-phase supply. It is provided with a 10 metre cable.

The underwing skin of a British Airways aircraft is examined using Alcoprobe, an eddy current tester that enables parts of a structure overlaid by others to be successfully tested. Developed by Inspection Instruments (NDT), the unit will find structural flaws and give a precise indication of the thickness of non-ferrous metals, thus allowing loss of metal due to corrosion to be determined. Since it also measures conductivity, the instrument can also indicate areas in aluminium alloys that have been damaged by high temperature. Alcoprobe has been purchased by six foreign airlines as well as British Airways.

● **TEXTILES**

Yarn speed monitor

VERNON H. COOPER, of Bilborough, Nottingham, has developed a yarn speed monitor for which the electronic and ancillary equipment has been designed and manufactured by two EMI companies, EMI Marine and EMI Meterflow. Essentially, it is a quality control device for reading with great accuracy the amount of yarn fed into each feeder on a knitting machine.

It can be used with all types of knitting machines, both circular and flat and having varying rates of feed. The monitor consists of a readout unit, yarn speed and length sensor units attached to the machine above each feeder on a circular knitting machine (comprising two ceramic guides and a small pulley unit which is rotated by the yarn), and a multiway selector box enabling any feeder to be dialled-in to check its yarn feed rate.

● **CONSTRUCTION**

Scaffolding safety net

DESIGNED AND made to conform with British Standards and the Health and Safety at Work Act 1974, a portable safety net rig has been introduced by Bridport-Gundry, Bridport, Dorset DT6 3QU.

For assembly on the ground, it consists of an adjustable steel frame, using heavier gauge tubes than scaffolding, to which are attached, by ties of carbine hooks, two different types of net. The main load bearing safety net is of 1,200 lb breaking strain nylon cord with a mesh size of 4 inches. Overlaid on the main net is a lightweight fine mesh net to catch falling debris and tools.

The safety net is craned into position and locked to the floor structure by riggers wearing safety harnesses. It is adjustable for different floor thicknesses. When in position, the crane slings are detached and the net rig is folded outwards, extending the net 10 feet from the building. Any object or person falling into it can be recovered by retracting the rig arms towards the building.

● **MATERIALS**

Thixotropic powder has many uses

KNOWN AS "Fluosil," a powder with a wide range of applications has been developed by Nynas Petroleum, an oil company which is a member of the Stockholm-based Axel Johnson Group.

It is claimed that the product can be used as an agent for the control and improvement of viscosity and thixotropy in applications such as reinforcing, thickening or hardening adhesives, fertilisers, lubricating oils, paints, plastics and printing inks; as an anti-caking agent in the production of cosmetics and food materials; and for ensuring the free flow of bulk powder materials.

Among its characteristics are extremely low particle size and large specific surface, and the ability of its aggregates to form a three-dimensional network.

Fluosil is produced by hydrolysis of silicon tetrafluoride in a flame in the presence of hydrogen and oxygen at a temperature of 1,600-2,200 deg. C. Silica is formed in the flame as spherical particles, which combine to aggregates. Diameter of the primary particles are between 7 and 14 nanometres (nanometre equals 10 billionths of a metre).

By varying the reaction conditions, the particle size and the degree of aggregation of the product can be varied, to produce different qualities.

More details are available from A. Johnson and Co. (London), Villiers House, Strand, London, WC2N 5LE, which is handling U.K. sales.

● **HANDLING**

Pump design for low maintenance

CENTRIFUGAL pump equipment which delivers 440 litres (100 gallons) per minute to a 12-metre (40-ft) head, or 150 litres per minute (33 gallons) to a 30-metre (100-ft) head with maximum suction limited to 4.5 metres (15 ft) is intended for industrial water supply, water transfer, pressure boosting, cooling towers, and general industrial duties.

The Stuart 160 is based on a simple and rugged design and is ideal for use in applications where a minimum of maintenance is desirable. The totally enclosed fan-cooled motor is continuously rated and flange connections are fitted throughout. The standard unit is suitable for pumping liquids up to 80 degs. C (176 degs. F) though alternative seal materials are available for pumping liquids of a higher temperature or for corrosive or abrasive liquids.

Pump body and front cover are cast in close-grained iron and the machined and balanced impeller is cast in gunmetal and mounted on a brass extension of the motor spindle. A Crane Type 2 mechanical seal is fitted and flanges are to BS 4504 and equipped with four holes tapped M12 on 130 mm. PCD. The pump unit weighs 47 kg (104 lb). A 3 kW (4 hp) 415-volt, 50 Hz, three-phase motor, with a totally enclosed fan-cooled motor, to BS 2613—1970. Stuart Turner will advise on the suitability of the Type 160 for a given application and offer a range of accessories including float switches, strainers, and foot-valves and strainers. The 160 is not suitable for use in applications where the total pumping head is less than 12 metres (40 feet).

Stuart Turner, Market Place, Henley-on-Thames, Oxon.

● **COMPUTING**

Evaluating airport parameters

MUCH detailed planning is necessary when developing an airport. The planner is faced with a range of airfield layout schemes, passenger terminal concepts, and passenger processing, luggage handling and aircraft servicing systems.

The planner must study the various processing and handling systems in relation to the different terminal concepts to arrive at a solution which represents the optimum balance between cost and operational and environmental factors.

Computer simulation techniques are vital to the success of airport systems planning and design, in order to develop comparisons of the performance of the various possible schemes.

This involves building and operating a number of models within a computer for alternative airport systems. The flow of passengers and friends, baggage and airport visitors through car parks and passenger terminal buildings can be simulated to predict how the proposed terminal will operate.

Estimated capacities, which can later be analysed, can be made for various control points and locations throughout the airport. The probability of delays and queues, their location and duration, can also be forecast by use of the model.

Simulation of terminal air traffic control, runway selection and operation, aircraft ground movement and control, apron and gate operations for various airfield layout schemes will provide detailed information on the performance of each alternative scheme. The magnitude of aircraft delays, their location, the cause of delay and queue lengths can be predicted.

Layout

This information is used by the planner to decide the layout of the airfield and the control policies used in relation to the proposed passenger terminal building concept.

Dr. Essam Fahim is working with the Airport Design Group of Sir Frederick Snow and Partners, consulting engineers, to use a model which simulates the flow of people through the different areas of the terminal building, as well as different airport activities including car parking facilities, check-in, security, immigration, etc.

The model takes account of incoming luggage and gate allocation for arriving and departing aircraft.

Language

The model is written in Simscript, based on Fortran. This simulation language is chosen because it allows processes in a system to be modelled by a sequence of discrete events.

Different despatching rules are tried for assigning gates to aircraft. The time when a gate is allocated and its effect on the system performance is studied as well. Passengers are classified according to whether they are arriving or departing; whether they are on scheduled or chartered flights; whether they have baggage to claim or not; whether they are using car parks or not; whether they have well-wishers or not; and whether they are international or domestic.

Two different methods are adapted to estimate the required car park capacities. One is based on an assumed fixed capacity while the other one assumes "infinite" capacity to ensure that no passenger will miss his flight because of insufficient parking space. The merits of the two methods and their effect on the system conduct are studied.

The whole concept of simulating airport parameters before design even starts, dovetails with the service being offered by the consulting engineers in that the latter now can offer a detailed analysis of any site and situation and—most important—manipulate the model(s) to meet every management eventuality.

There are two models, one postulating a centralised system such as at Heathrow, Orly and De Gaulle. The other assumes the use of a decentralised system with check out at the actual aircraft stand — and thus minimal baggage handling and sorting but a need for more terminal gear.

What either version costs will depend on the volume of traffic and the service provided.

It is significant that the models can be manipulated from the frequently neglected standpoint of "passenger convenience" measured by waiting or queuing times.

هكذا من الاصل

The Executive's World

EDITED BY JAMES ENSOR

Jay Palmer, in New York, suggests that the consequences of buying the wrong computer company serve to highlight the reasons

Why the music had to stop for Xerox

"IT WAS," the New York Times reported solemnly, "a carnival - like atmosphere." While the company's directors marched on to the dais to the tune of "California, here I come" shareholders applauded, laughed and cheered in a manner more befitting a Hollywood spectacular. The excuse for this jovial gathering was Xerox's May 1969 annual general meeting in Los Angeles when shareholders voted overwhelmingly to approve their company's latest acquisition, Scientific Data Systems, a small West Coast computer manufacturer.

The price tag of $910m., 10m. new shares at their then price *of $91, made it Xerox's largest* ever acquisition. Although the price was unarguably high (equal to about 43 times earnings), the deal looked like being a good move. SDS, with its 50 per cent. four-year annual growth rate, had a reputation as a "hot stock," while everyone acknowldged that a computer stake would give Xerox a building block to expand later into "the office of the future market."

Last month, however, memories of all that cheering and the subsequent arguments in favour of the deal were ringing a bit hollow when, after *four* years of losses, Xerox announced that it was closing down and seeking a buyer for the core of its computer activities. The SDS acquisition, shareholders were bluntly told, had been "a mistake." "With hindsight," admitted Mr. Peter McColough, Xerox's chief executive since 1968 "I can say we should never have purchased it."

Outsiders criticise the company even more harshly. "Quite simply, Xerox bought the wrong company, at the wrong time, at far too high a price and then waited too long to sell it," claimed one management consultant.

As it was, the renamed Xerox Data Systems, despite annual cash injections of over $20m. lost the parent company between $200m. and $300m. between 1970 and 1974. As Xerox itself now admits, these losses would have continued until at least 1980 and only stopped then if nearly $200m. had been spent on developing a new computer line.

Bitter pill

Xerox's computer stake was, of course, only a very tiny part of the massive copier empire, accounting during its very best period (1970) for no more than 5 per cent. of total revenues—which at the last count exceed $3.5bn. *All* the same, the company's decision to close down the bulk of that division (it is still keeping some peripheral developments going) and admit its failure must have been an especially bitter pill. Unlike other companies which quit computers in the early 1970s, Xerox's $84.5m. computer write-off came not in an economic upturn but during a recession that was already affecting its main copier business.

The impact of this decision is thus magnified out of all proportion. A few months ago, Mr. McColough warned shareholders that "world-wide recession and inflation" together with "under-budget placement of copiers" had hit growth, and that the company "will probably be able to show little if any profit growth over 1975 as a whole." This projection was, however, ahead of the write-off which left second-quarter earnings down 95 per cent.—the first drop in quarterly earnings since 1958. It seems probable that full year's earnings will also be lower, breaking the company's 24-year record of annual earnings increases.

Such a temporary, even technical, one-off decline in earnings can hardly be described as unusual for the current economic conditions. Neverthe*less, it does represent a major* and possibly irretrievable step back for Xerox which, throughout the last two years of slumping stock market prices, has made much of its apparent ability to maintain growth. It is also a big blow for Mr. McColough personally; only a year ago he stuck his neck out with a promise that Xerox would try to maintain its real growth rate targets of 15 to 20 per cent. a year, despite booming and historically unprecedented domestic U.S. inflation of over 9 per cent.

It was a brave suggestion that even at the time seemed to border on fantasy. To-day, however, it just looks ridiculous: with the company still facing production snags on its new models and with more than 2,500 employees laid off, Xerox has cut its capital expenditure budgets in line with falling rates of new machine rentals.

The SDS acquisition, shareholders were bluntly told, had been "a mistake." "With hindsight," admitted Mr. Peter McColough, Xerox's chief executive since 1968 (right), "I can say we should never have purchased it."

At the same time, competition is growing more intense leaving Xerox — as one Wall Street broker's report put it — "in the early stage of what could be a long, significant and possibly difficult period of transition."

While the initial growth of the 1960s (when net profits rose from $2.6m. to $208m.) came from the explosive domestic success of the "940" copier that made "Xerox" a household word, the recent advances have been overseas with foreign operations returning over the last four years a compounded *earnings growth four times that* seen domestically.

Though Xerox likes to play this point down, the switch in growth emphasis to overseas markets reflects the company's saturation of the available domestic U.S. market. With something between 80 and 90 per cent. of all U.S. copiers carrying the Xerox label, the company's future growth is clearly dependant on two factors—firstly, the overall market expansion and the general economic climate and secondly, the impact of growing competition.

In view of the generally depressing economic conditions, *few* seem to disagree with the statement by one of Xerox's competitors that the growth in the copier market is now down to no more than 10 per cent. a year against 40 and even 50 per cent. four years ago. In view of *this, it is hardly surprising that* analysts are taking a bearish view and the company is maintaining a tight low profile. Latest estimates suggest that rental income (the most important single contribution to earnings) will fall sharply this year with net new rental agreements projected to rise at only 5 per cent. compared with well over 10 per cent. over the last few years.

This sharp drop obviously is allowing for some considerable pressure from new competitors. Since the 1960s (when Xerox was fortunate enough to operate in a competitive vacuum) 13 companies have moved, into the domestic market, including such big names as IBM, Eastman Kodak, 3M, Litton and Sperry Remington. Even aside from any adverse effects of the Federal Trade Commission's anti-trust settlement against Xerox, these companies can clearly be expected to stop Xerox from following such profitable policies as delaying the introduction of new machines until existing ones reach full potential and structuring rental bases to maximise profits.

New machines

The FTC's final ruling on its long-standing anti-trust case a few weeks ago represented a moral but nevertheless relatively ineffectual victory for Xerox's competitors. Contrary to its original aims, the FTC did not demand divestiture of Rank-Xerox or Fuji-Xerox, the company's highly profitable overseas ventures. At the same time, the order that Xerox should make patents available to competitors is generally regarded as unimportant given the company's headstart in market domination.

But one point in the FTC ruling could prove awkward from Xerox's viewpoint. This is the proposal that Xerox be prohibited from offering package rates to large clients leasing several machines. The importance of this ruling to price individual machines individually is that it will give competitors a chance of marketing their basic models without running into customer reluctance to give up the advantages of package rates.

It was with this new competition in mind that Xerox, over the last few years, has introduced some six new machines, ranging from the "1000" and "4500" console models to the "3100" desktop and the "7700" duplicator. But the pride of Xerox's new products are clearly two new machines which together are projected to supply the lion's share of the company's earnings in coming years—the "9200" copier-duplicator and the "6500" *colour copier.*

While the "6500" colour machine is a brand new development, it is the "9200" that was originally intended to go into production in 1973 to pick up slack now. But development problems and high costs (costs are estimated to be anything between £300m. and $600m.) set everything back. The hope now is that the machine's simplicity, convenience and speed (two copies a second against seven a minute for the original "940") will open not only new markets in commercial printing but also new demand in the established corporate field.

*Certainly Xerox needs some*thing to fill a product gap which outsiders see stretching from now to the mid-1980s when the company's dream of building up "an office of the future" market could be realised. Exactly what comprises the office of the future varies according to who one is listening to. Nevertheless, in the most general of terms it involves supplying with equipment a highly automated office where word-processing (rather than data processing) technology replaces paper records.

Giants

The giants are already shuffling for position in the field with IBM clearly the favourite for the dominant place. While Xerox's announced strategy will be concentrated on the most common office functions and weld them into one integrated unit (information storage, terminals, printers and whatever), its plans have suffered what appears to be a major setback through the *failure of its basic computer* business to come up to scratch. But it would be easy to make too much of this—while a computer is essential to such a system, Xerox's existing office dominance gives it a strong base for either a joint-venture or simply a renting arrangement.

Given this, Wall Street's harsh reaction to the news of the computer closure (the shares are sharply lower in recent weeks) seems wrong on any count. Ahead of the immediate problems new machines are certain to provide some recovery while longer-*term plans are not affected.* Xerox's problem is that its image as a glamorous growth company has been severely dented by having to wash its dirty linen in public at a time when the rest of its business is relatively badly off. Like any idol, Xerox suffers when fans discover its feet of clay.

BUSINESS LAW

A clash is coming

BY A. H. HERMANN

THERE IS a sea of difference between outlawing refusal to sell and ordering an enterprise to allocate supplies at reasonable prices. Although every businessman knows that the first, leaves a lot more space for manoeuvre than the second, the Federal Cartel Office, the EEC Commission and the European Court did not want to hear.

The difference has now been explained to them by Dr. Robert Fischer, President of the German Federal Supreme Court and Chairman of its Cartel Bench. Dealing with an appeal in the case of Polyester Raw Materials (KVR 1/74) the Supreme Court ruled that the Federal Cartel Office has no power to order that the discrimination against a customer should be remedied in a specified way, for example by supplying certain quantities of goods at defined prices.

In the spring of 1974, during the oil crisis, the Cartel Office made a brave attempt to redress the balance between the large companies with access to oil and raw materials, then in short supply, and the smaller independent enterprises, which depended on them for supplies. The Cartel Office ordered AGIP, the Italian controlled oil company, to allocate petrol evenly among its customary outlets, *treating* "*independent*" distributors in the same way as its own petrol stations. This order was based on the rule that market dominating companies should not discriminate against companies dependent on them.

The Berlin Appeal Court endorsed the view taken by the *Cartel Office, namely that in* a case when it is impossible to put an end to discriminatory conduct by a prohibition, it is necessary to reach for a positive order pursuing the same aim as the prohibition. The Supreme Court in Karlsruhe disagreed. A prohibition, it reasoned, leaves the supplier the choice of alternative non-discriminatory conduct, while a positive order prescribes one of the possibilities and restricts his enterpreneurial freedom much more severely. Had the legislator intended the possibility of positive orders, he would have had to define the limits and safeguards for such a far-reaching bureaucratic intervention, otherwise the law would be uncertain.

By ordering specific action where the law provides only for a prohibition, the Cartel Office transgressed its powers. In protecting competition the Cartel Office must not restrict the free market economy. Or, in the way the Supreme Court puts it, the principle of a "law-State" and the assumption that the citizen is free (unless the law provides otherwise) require that individuals as well as firms should be protected against unwarranted incursions by the Government.

Seen in the context of the German controversy concerning the powers of the Cartel Office, particularly in the field of price regulation, this restrictive interpretation of the antitrust law by the Supreme Court agrees well with the recommendations *made earlier by the German* Monopolies Commission when reporting on the first year of the revised competition Act, 1973.

Only a few days before this reprimand of the Cartel Office the Supreme Court confirmed the right of private parties to claim damages from those who infringed antitrust rules—and that third parties should have such right (which in the U.S. is a powerful instrument of *antitrust enforcement*) was another recommendation contained in the very same report of the Monopolies Commission. It appears that the Monopolies Commission gained in the Supreme Court a powerful ally in its efforts to weaken bureaucratic, and strengthen private enforcement of competition rules.

The Karlsruhe decision will cause no great pleasure in either Brussels or Luxembourg. Not so much perhaps because only the refusal to supply is concerned. When ordering the U.S. Commercial Solvents to supply specific quantities at specified *prices* to *Zoja*, an *Italian* pharmaceutical company, the EEC Commission and the European Court could rest on a more general formulation of the Commission's powers in Regulation 17. Where the Karlsruhe decision will bite is in the emphasis on the freedom of the citizen and the enterprise, which, being a fundamental principle of law of the member States, must be respected by the European Court, which often gives priority to the the Treaty aims of integration and undistorted competition. There is no need to put ears particularly close to the ground to hear the approach of a clash between the two fundamentally different developments of judge-made law in the European Community.

Books

A Managerial Odyssey, Problems in Business and its Environment. By Arthur Elkins and Dennis W. Callaghan. Addison-Wesley Publishing Company Incorporated. 11, Hills Place, W1R 2LR. £4.95.

The book aims to assist the business manager in the areas of social responsibility, business ethics and theories of managerial behaviour, but set as it is against a backdrop of the American environment and American law, it has only the broadest relevance to the British manager. It claims to be directed towards managerial problem solving, not sweeping generalisations, but nonetheless tends to confuse the issues for which it is trying to find conclusions by inserting irrelevant opinion around the facts.

The Conduct of Meetings. By T. P. E. Curry, R. Richard Sykes and Philip L. Heslop. Jordan and Sons. £4.50.

A guide to all types of meetings, be they public or private company, political, local government, committee or club, this should be of interest not only to those conducting meetings, but should also enable those who attend such meetings to know better what they may or may not do or discuss.

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TUESDAY, AUGUST 19, 1975

Dr. Kissinger returns

ACCORDING to Dr. Kissinger's own earlier admission, he would not be going back to the Middle East unless there were at least a 90 per cent. chance of success in the search of a second Egyptian-Israeli agreement. It is notable that the Secretary of State did not repeat that statement when the news of his mission was announced on Sunday night and it is even more striking that, even as the announcement was being made, the Israeli Government was saying that several important questions remain to be settled. Judging from yesterday's proceedings in the Knesset, the Israelis are still far from happy.

U.S. presence

Yet the signs are still that an agreement is probably within sight—the American pressure on the Israelis and the continuing interest in a settlement shown by President Sadat have seen to that. In most respects, it would not be essentially different from the agreement that was almost reached last March. The chief difference is that this time there are to be American personnel manning the early warning systems between the two sides. True, they will be civilians, not military men, and they will probably number little more than 100. Yet their presence, assuming the agreement is reached, should not be underestimated. They will be a visible sign of what President Sadat has always insisted and the Israelis have always known—that the U.S. is the most important power in the Middle East and the only one capable of bringing about a settlement. They will learn little about Israeli and Egyptian military movements that is not available to the Americans by other means, but their presence should still make a renewal of hostilities more difficult and force the Americans to act quickly, if a renewal takes place.

This sign of the U.S. commitment to a Middle East settlement will be all the more valuable if it serves as a reminder that the agreement now in sight is no more than an interim one. It builds on the disengagement agreements already achieved between Israel and Egypt and Israel and Syria. It may provide a year or two of relative peace—a chance for President Sadat to pay more attention to his pressing domestic economic problems and for the Israelis to see that the agreement can be lived with. But it is not in itself enough. Nor does it solve the essential problem of the Middle East which, as successive U.N. Resolutions have admitted, is the Palestinians.

The temptation, once the new interim agreement is reached, will be for the Israelis to plead that they have given all they can and to rely on American preoccupation with next year's elections to take off the pressure. The temptation in the U.S. may be to do just that. Even President Sadat may be inclined to believe he can detach himself from Arab problems so long as he has regained some of the lost territories and Saudi Arabia continues to support him financially.

All that would be a mistake. The nature of an interim settlement is simply that it is interim. It must lead on to something else and be shown that it is doing so. There will be many in the Middle East all too ready to believe that the agreement is a sell-out. Some of them, no doubt, can be disregarded—the more extreme elements among the Palestinians, for example—but not the entire PLO, and certainly not the Syrians. Syria has the power to overthrow the whole agreement by unleashing a new war, and it is very doubtful if any Egyptian pledge on the non-use of force could survive that. The way to seek to avert this is for the Israelis to show that they are ready to go on and seek a further disengagement agreement with President Assad and ultimately to fulfil the UN resolutions.

Longer term

From their own point of view, the Israelis in fact have already given a great deal and they are entitled to ask for the strongest American guarantees in return. In the longer term, however, it is they who stand to lose most from the absence of a settlement. It is a question now of how many of them are far-sighted enough to appreciate that they cannot go on winning wars against Arab states growing steadily richer and more powerful, and to seek an agreement while there is still a chance.

Retailers feeling the pinch

THE PROVISIONAL estimate of retail sales for July is the same, in volume terms, as the revised figure for June. The significance of this apparently insignificant fact is that the June figure was itself low and that the expected fall in real personal consumption now seems to be well established, even before the introduction of the new ceiling on wage increases. The trend of the past few months is not straightforward, since the announcement of VAT increases in the Budget caused a buying spree in April which was followed by a sharp reaction in May. Averaging out the past four months produces a figure 3½ per cent. down (in terms of volume) on the first quarter of 1975, which was itself much the same as the second half of 1974. But it is at least possible that such an averaging process conceals a marked drop in the volume of retail sales since the end of the post-Budget boom. The level during the past couple of months alone has been below the average for any year since 1971.

The full figures, when they become available, will probably confirm the divergent tendencies thrown up by the June returns. Shops specialising in durable goods have had by far the worst experience recently, simply because they were by far the main beneficiaries of the April boom and the main victims of the subsequent increase in VAT rates. But the sales of foods shops, too, seem to be significantly down on the level of the past two to three years.

Repaying debt

It would be wrong to make much of these medium-term comparisons, since the statistical problem of separating out changes in the value of sales into changes of price and changes of volume becomes considerably more difficult when prices are rising steeply. But the short-term drop in the volume of sales seems clear enough, and is borne out by the statistics of consumer credit up to the mid-year. Despite fluctuations in the amount of new credit granted month to month—which have recently tended to reflect first the sharp rise and then the sharp drop in demand for consumer durables—the amount of consumer debt outstanding has been falling even in money terms.

This is one particular aspect of the tendency, which has been noticeable for some time past, for the ratio of personal savings to disposable income to run at a higher level than usual. The savings figures are highly tentative, but such a rise in the savings ratio is normal at times when the outlook becomes particularly uncertain. Most forecasters, have, in fact, assumed that consumers would now begin to save less of their incomes and so seek to cushion the decline in their real purchasing power brought about first, by the relatively fast rise in prices and second, by the spread of unemployment and short-time working.

Savings cushion

Once the new ceiling on wage settlements begins to produce its effect, this assumption will no doubt prove to be justified. Just because the rise in unemployment has been so unusually fast and the future seems so unusually uncertain, however, it may well be that consumers have made less use than expected of their savings cushion and have allowed the real level of their spending to drop more quickly than expected. This, so far as retailers are concerned, is a more comforting explanation of the latest figures than the straightforward supposition that they merely reflect a drop in real personal purchasing power.

Belfast's shipyard may see a bold experiment in industrial democracy. **John Elliott** visited the yard

Worker participation to keep the wolf from Harland's door

THE most far-reaching experiment in industrial democracy yet attempted in the U.K. should start soon in Belfast's Harland and Wolff shipyard with union members achieving a considerable say over the day-to-day affairs as well as the longer term future of the company. This experiment has a considerable chance of success, if only because of the effect which the closure of the ailing shipyard, and the consequential sacking of 10,000 men, would have on an already dispirited, bitterly divided and trouble-torn city. If however the experiment fails, it will probably be because the shipyard's shop stewards have found themselves unable to straddle the gulf between the boardroom and the workplace.

The Government hopes that the experiment can be launched within the next couple of months. It will provide a fascinating test bed for industrial democracy at a time when Mr. Peter Shore's Committee of Inquiry starts its year-long examination of worker directors and worker participation. The experiment is a victory for one of Labour's most ardent Left-wingers, Mr. Stanley Orme who, as a Minister of State for Northern Ireland, is responsible for its industrial and employment policies.

Mood ripe for change

Despite considerable reservations among his Government colleagues, Mr. Orme five months ago launched a discussion pamphlet on industrial democracy in the shipyard. He had persuaded his colleagues that the situation in Ulster and the financial problems of the shipyard—which was taken into full Government ownership earlier this month—meant that the talents, enthusiasm and loyalty of the shipyard's workforce had to be harnessed immediately and that, with the departure a year ago of Mr. Ivor Hoppe, the yard's former managing director, the mood was ripe for a change of managerial style.

Now the shop stewards stress that they have had enough of "outsiders" being brought into the yard and believe they themselves can help to improve its efficiency. The company's top management, under its new managing director, former shipbuilding director Mr. Roland Punt, seems no less enthusiastic—provided that any conflicting trade union-boardroom loyalties can be sorted out.

Like the Government, which will have an enormous financial stake in the yard, the top management wants to save the yard. It lost £16.7m. last year, bringing its total loss over the past ten years to £60m. The Government has already injected £68m. and has promised another £51m. to cover expected losses on existing tanker and bulk carrier orders which will continue until about 1978. From then on, the workforce has been warned, the company is on its own.

The management is determined not to try to induce changes in working practices by threatening to close down. Both the Government and management are however determined to use the new form of relationships engendered by industrial democracy to force it home in Belfast that there is not a bottomless London pit out of which endless Harland and Wolff subsidies will flow. The Harland workforce finds this hard to believe—which is not surprising when one considers the political implications of turning 10,000 workless Ulstermen onto the streets of Belfast.

The shop stewards are for example angry at what they regard as the meanness of Ministers insisting that money pumped into Harland must come out of Westminster's Budget for the province and that any increase in the money will lead to reductions in other spending on items such as schools and roads. "If they applied that to Concorde there'd be no streets, schools or sewers in Bristol," one shop steward scornfully told me. At the same time it should be noted that the sectarian troubles of Ulster have rarely if ever erupted into the shipyard, which is sited in a Protestant area of Belfast. This geographical fact has made it easy for the tradition to build up that the workforce should be mainly Protestant, and there are now only 600 Catholics in the yard.

It was against this broad background that Mr. Orme decided to launch his experiment. His pamphlet received only limited attention outside Ulster, but deserves far wider study. With his Left-wing background Mr. Orme stresses in an introduction that "we would not wish to see any scheme introduced which threatened collective bargaining"—an aim which is now raising potential problems. He goes on: "neither would we wish to see a scheme which impeded the efficient operation of the company," but rules out any formal participation for non-trade unionists when he says: "so far as the yard is concerned the Government would expect any proposals which emerge to be based on the official trade union movement." He welcomes a joint consultative council recently set up, but adds: "what we are talking about here goes beyond this into the realms of decision making itself."

The main pamphlet, prepared by Mr. Orme with Dr. George Quigley, a highly respected Belfast civil servant who is permanent secretary of Ulster's Department of Manpower Services, argues that there should not be undue concentration on worker directors because most company decisions are taken below Board level. It therefore maps out five main ways of influencing events below Board level. These are: collective bargaining with traditional management-union negotiations; joint consultation machinery for other management-union contacts; joint executive committees giving unions a role in executive decision-making on matters such as accident prevention, discipline and job evaluation; joint working parties to take decisions or make recommendations on special projects and problems; and some form of participation at job level.

On worker directors, the pamphlet says that there could be a two-tier system, with a top-level supervisory council including worker directors dealing only with major, policy issues, leaving day to day responsibilities to a lower tier management committee of executive directors. "If dealing with pay negotiations is thought to be a major source of possible embarrassment for the workers' representatives on the Board and perhaps to hamper the trades unions in the yard in their normal role of collective bargaining, it would be possible for this subject to be left almost entirely to the management committee."

This suggestion brings out the dichotomy facing the shop stewards at Harland—and anywhere else for that matter. Firstly it is almost certainly wrong to suggest that any "embarrassment" would only arise with wage bargaining. Any labour or industrial relations matter could be a source of embarrassment, and redundancy might be even more embarrassing than wages.

Again, if the supervisory council or board is not to deal with wages, it cannot realistically deal with the size of the wage bill and so has to pass down to the management committee or board a major role in the company's financial planning. Without control over such planning, the powers of the supervisory board are severely limited. To say, as some worker director advocates do, that the supervisory board would deal with long-term planning, leaving day-to-day affairs to the managers, does not solve the problem.

One possibility being considered by some of Harland's shop stewards is a new method of fixing wages by gearing pay levels to those of other U.K. shipyards on the comparative basis used in the Civil Service. The stewards' interest in this, and the willingness this indicates to give up some freedom to negotiate wage levels, is partly due to the fact that at present their wage levels are below some other U.K. yards and they could use a comparative system to demand parity. Some of them also recognise that, in an era of incomes policies, their real "freedom" to bargain in a Government-owned concern is severely limited.

Despite these problems, however, the Harland management and unions are now having talks on a joint plan which they could present to Mr. Orme. With the influential help of a Strathclyde University academic, Mr. Frank Stephen, the unions have prepared a plan for a two-tier board structure which splits the top board into three sections with equal representation from unions, management, and a group of Government nominees. Interestingly, the unions chose this formula because they recognise that the Government and no one else controls the shipyard. It would therefore be absurd for them to go for a 50-50 management-union split in the hope that this would give the workers virtual control. In any case, the interests of the Ulster unions stems more from concern about self-preservation than from Socialist worker control.

Afraid that the Government might one day want to pull out from either the yard or the Province, the unions therefore want it to be firmly involved through representation on the aboard.

The union members of the board would be elected, the elections being based on "constituencies" set up within the yard on the basis of existing bargaining writs — outfitting trades, steelworkers, engine workers and others, thereby saving a rigid split into membership of individual unions.

Below Board level there would be direct involvement of management and workers in joint decision-making at three levels through a yard-wide, top-level committee, five departmental committees, covering areas such as ship design, hull production and the business of finance, administration and commercial affairs, and a series of production committees covering small and compact work areas. The production committees might meet weekly and the others less frequently. Their job would be to discuss and agree plans for the management to implement.

The management, however, has told the unions that it objects to a formal two-tier board system, partly because of potential conflict between the two boards. It wants to continue with the existing one board system—which would accommodate the new directors. This delegates managerial authority to the managing director who then organises an ad hoc managing director's committee. But this would not be an executive committee with collective powers. In addition, the management has told the unions that it is extremely concerned about any wish on the part of worker directors to make available all company information to their members irrespective of a need for secrecy and confidentiality.

Already, however, the shop stewards and the management have been brought closely together through the appointment of Mr. Punt as managing director by a selection committee which included two union representatives—one a full time official and the other the yard's leading shop steward, Mr. Sandy Scott of the Boilermakers. The workers voted on which shop steward they wanted to represent them and 78 per cent. of them took part—indicating a significant interest in worker involvement and giving the unions an implicit veto over who was appointed.

From this small but significant beginning Harland is now almost ready to test the viability of both day-to-day worker involvement in decision-making and of the more glamorous incursion of union-elected worker directors into boardrooms. Even though there are many special reasons why the experiment in a Government-owned, relatively compact and almost desperate company such as Harland should work, it will also provide many lessons for the rest of industry. Not the least of these will be an indication whether a worker director system might lead to the end of so-called "free collective bargaining" and thus to a dramatic recasting of the union's traditional function in the U.K.

The Harland and Wolff experiment will provide a fascinating test bed for industrial democracy. Each with a leading role in the project are Mr. Stanley Orme, a Minister of State for Northern Ireland who prepared the discussion paper (left), and Mr. Roland Punt (centre), the company's managing director, whose appointment was made by a selection committee which included the Boilermakers' shop steward, Mr. Sandy Scott (right).

MEN AND MATTERS

Turtle turns for CDFC

The hazards of trutle farming go some way to explain why the Commonwealth Development Finance Company has gone into the red after 20 or so years of profitability. The public but unquoted CDFC, not to be confused with the Government's Commonwealth Development Corporation, was the major 30 per cent. shareholder in Mariculture, the only significant green sea turtle farm in existence, covering 12 acres of Grand Cayman island.

Mariculture was started in 1968 principally at the instigation of American entrepreneur Irvin Naylor and British businessman Antony Fisher, who started, and made his pile with selling, Buxted Chicken, a pioneer of the broiler chicken system; Fisher is also a founder trustee of the Institute of Economic Affairs. Another turtle shareholder was his son Mark Fisher, a Sussex dairy farmer. They and a spread of other U.K. and American investors (CDFC went in with £300,000 in 1972) settled down to build a business to provide the world with the renowned soup, meat, leather, and even shells which are used in jewellery.

But two major difficulties arose. The climate for venture capital has been terrible, and conservationists in the United States saw in the project a threat to an endangered species. Mark Fisher denies the latter, but opponents of Mariculture succeeded in making life even more trying than financial problems had already. Initial development had cost $5m.; perhaps another $2m. or $3m. is still required. "We needed time," says Mark Fisher. Mariculture could not get it and is now in receivership and being offered at £1.15m. Meantime 100,000 turtles continue their relatively pampered Mariculture existence, but under the eye of Receiver Robert Moyle, Price Waterhouse's man in Cayman.

CDFC sounds philosophical about the turtles, and is hopeful that a buyer can be found. The company was set up specifically to back new and sometimes unlikely investment propositions across the Commonwealth. It has an impressive register of 150 shareholders, who include most leading U.K. companies and merchant banks; its board is eminent with veteran banker Sir George Bolton as chairman and Lord Polwarth and Sir Eric Roll among his colleagues.

Yet CDFC remains relatively small, and with widely spread investments, not well known in the countries where it operates. Annual income hovers around £4m., and its net profit for 1973-74 fell from £483,361 to £67,581. The catch in the year that followed was the large amount of provisions needed against investments suffering in the current raw atmosphere: these provisions for the 12 months to last March total £1.4m. which leaves a net loss of some £1.13m. Last year, Bolton said in CDFC's annual report that the disintegration of monetary discipline has "not deterred us from continuing to look for new opportunities." Whether that optimism has survived remains to be seen.

Entrained

There are echoes of another age of travel in the accommodation which will be used later this month for the constitutional talks between Ian Smith, the Rhodesian leader, and the African national council.

They are meeting in a railway coach parked in no-man's land in the middle of the Victoria Falls Bridge between Zambia and Rhodesia. The South African's state president's lounge car from his official train will be the main conference room; connected to both sides of the conference car will be two more luxury saloons with cocktail bars and lounge furniture.

Each of these coaches will in turn be connected to the private suite cars of the South African Prime Minister and the Minister of Transport. This extraordinary convoy will in turn be connected to a number of coaches borrowed from the popular Trans-Karoo train which runs between Cape Town and Johannesburg.

Something about that main meeting place, the sumptuous lounge car, may not be a good augury though. It usually runs in the President's "White Train."

"Looks like the Government's new publicity campaign has begun!"

Changed plans

Royal schedules these days run a fairly high risk of disruption. The Queen was set to go to Nigeria in October, but after the coup there, the new Government has requested a postponement. Nigerians themselves will be interested to see what happens to a vast new parade ground which General Gowon, the deposed leader, was having built on about the last remaining bit of greenery (the old racecourse) in Lagos; it has been suggested it was intended primarily for the Queen's visit.

Meanwhile, the British Government seems to have decided it would be unwise for Prince Charles to go, as vaguely planned, to India. Nothing so formal has been announced. According to Buckingham Palace "there is an open standing invitation for Prince Charles to pay a longer visit to India." This was issued when the Prince spent just over 24 hours in the country en route to Nepal for the coronation earlier this year.

Now, with the change in the character of Mrs. Gandhi's regime, the U.K. is unwilling to be seen giving public approval—though Mrs. Gandhi would obviously welcome such a call. Officially, talks are still going on. The Indians have been pressing for the Prince to go to India on his way home from Papua New Guinea next month where he will represent the Queen at Independence celebrations.

It looks, however, as though India has been told the Prince has to attend a special course at Greenwich at the end of September as part of his naval training and therefore must hurry home.

Shrewd

Item in a handbook for American tourists: "Always count your change even if you do not understand the currency."

Observer

Observer

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What tempts motorists to drive foreign

BY TERRY DODSWORTH

APRIL was the cruellest month since the war for the British car industry. Imports took 38.44 per cent. of the U.K. market, an all-time record; and car exports for the month fell in value terms well below imports—£31.4m.-worth of vehicles going overseas, against £44.7m. being brought into the country. While that proved to be their high point for the first half of the year, imports were up again dramatically at the beginning of this month when, in 12 days, foreign cars captured four *customers out of every ten.*

Everyone, as Lord Stokes is fond of remarking, is an expert on the car industry; and every driver has his favourite reason *for* this remarkable reversal in what, until the late 1960s, was *one of the world's most* chauvinistic car markets. But one thing can be said with fair certainty: the first half of 1975 appears to have exploded the myth, nurtured by the manufacturers, that "availability"—or rather lack of it—was at the root of the British industry's failure to fight off the importers.

Supplies

Behind this theory was the notion that if only the U.K. manufacturers could assure their supplies to the market, they could see off the competition; strikes, erratic component deliveries and lack of up-to-date capital resources, had had a highly damaging effect, the *manufacturers argued, on their* ability to supply the product.

There have been major strikes, of course, since Christmas, notably at Ford, Dagenham (seven weeks), on Chrysler's lines and at British Leyland's *Longbridge toolroom. But for* the theory about availability to stand up, the U.K. manufacturers should at least have been able to hold their own in percentage terms in a market which has declined in the first seven months of the year by some 30,000 units (from 743,000 to 710,000). In fact, unit sales of imported cars have increased from 186,000 to 230,800; sales of British cars have declined from 557,000 to 479,800.

So what reasons do the marketing men now offer for the continuing success of imports? First, there is the theory, most prominently supported by Ford, that U.K. prices are at the root of the problem. Ford is backing its conviction with a major switch of marketing policy in producing its down-market cheap Popular version of the Escort. The revamp will bring its basic Escort price down to £1,299, to make it competitive with any comparable imports.

The question of prices has become not only an economic problem (inflation this year has undermined the benefits achieved by the declining pound), but also a delicate political issue. It is accepted that in export markets manufacturers often aim for only a *marginal profit,* and therefore price extremely competitively, when they are introducing a new model. Indeed, the head of Fiat, Sig. Umberto Agnelli, recently talked of "introductory pricing" when discussing Lancia *prices in the U.K.* But it is relevant that last week's Parliamentary committee report on the motor industry had this to say on Japanese imports, now the subject of an anti-dumping application by the British *industry:* "We have not heard evidence to convince us that the highly competitive pricing of Japanese imports is the result of unfair trading practices rather than of manufacturing efficiency."

Whatever the problems of the U.K. manufacturers, many foreign products have held their prices comparatively well. In the latter half of last year and *the beginning of this, when U.K.* inflation took off, these differences emerged particularly sharply. The table shows that percentage increases on British cars over the past year have been generally higher than on imports.

Options

The table also shows the kind of options open to a new buyer in the "mini," small family saloon markets, and quality car sectors. What it clearly displays is that if a customer is considering price alone he is certainly as likely to chose an import as a British car. Three or four months ago he was possibly even more so inclined: Datsun prices in particular have been pushed up rapidly over the past few months.

If, on the other hand, the customer considers what the industry likes to call "total" cost—servicing, spares, trade-in price and so on—the equation swings back in favour of the British product. This is one of the reasons why the fleet buyer tends to plump for the U.K. product, although large discounts and straightforward pressure to buy British also play their part in these decisions. (Import franchises like Volkswagen which have tried to get in on the vast volumes of the fleet market have found it hard going.)

The second argument concerns the product: which companies are making the right kind of cars for the present market, offering reliability, quality, good petrol consumption, comfort and some aesthetic appeal? These factors clearly relate very closely with each other and with the question of price. For example, one of the great strengths of the Japanese pricing structure has been the fact that, at comparable prices, their cars have often been equipped with items (radios, heated rear window etc.) which appear as extras on U.K. cars. To some extent the same is true of some Continental cars.

HOW U.K. CARS COMPARE WITH IMPORTS

	Price August 1975 £	Price August 1974 £	Price Increase %	Percentage change in sales (2nd qtr. 1974-1975)
MINI CAR CLASS				
BL Mini 1000	1,334	1,020	30.7	− 29.8
VW Golf 1100	1,499	na	na	New product
Renault 5L	1,404	1,073	30.8	+ 77.0
Datsun Cherry L	1,298	1,075	20.7	− 16.9
Toyota 1000	*1,287*	*na*	*na*	*New product*
SMALL CAR CLASS				
Ford Escort 100 L	1,529	1,174	30.2	+ 6.8
BL Allegro 1100 DL	1,541	1,180	30.6	− 10.7
Chrysler Avenger 1300 DL	1,522	1,146	32.8	− 39.3
Datsun Sunny	1,430	1,179	21.2	+137.2
Citroen GS	1,780	1,360	30.8	+ 33.8
Lada 1200	1,199	980	22.3	+423.4
LARGE CAR CLASS				
BL 18/22 DL	2,237	1,610	38.9	− 12.1
Triumph 2500 TC	3,353	2,352	42.5	− 25.4
Audi 100 LS	2,792	2,194	27.2	+ 7.7
Peugeot 504 GL	2,614	1,976	32.2	+ 18.8
BMW 1602	2,339	1,962	17	+ 63.5

Source: Motorists Guide

Unquestionably, too, the imported product has proved a better answer to high-cost fuel than its U.K. competitor. This is because Continental governments (France and Italy) have discriminated against large capacity engines in their car taxation legislation, while Japan is still at the stage of producing straightforward basic products. The effect is that these producers have benefited disproportionately from the swing in the U.K. market away from big cars. According to industry analysts Ronald Sewell and Associates, there has been a 5.9 per cent. increase in sales in the small car class between the second quarter of 1974 and the same period this year.

The benefits of this have gone almost entirely to the importers. To quote a few examples: the Datsun Sunny increased sales in the comparable periods from 3,493 to 8,284 (+137 per cent.); the Alfasud went up from sales of 459 to 1,323 (+188 per cent.); the Citroen GS increased sales from 1,810 to 2,422 (+33.80 per cent.); and the Toyota Corolla from 1,622 to 1,823 (+12.40 per cent.).

In this class, it is true, British cars are poorly represented. Yet what takes some explanation is that even those there are have not done particularly well. The new Ford Escort has been a *success* with a 6.8 per cent. increase in sales: the Vauxhall Chevette also registered sales of 5,966, opening up a slot of the market which had been closed to Vauxhall. But why have the Vauxhall Viva, the *BL Allegro, and the Chrysler* Avenger all suffered?

The Avenger's decline — by 39.3 per cent. — is perhaps easiest to explain because of Chrysler's recent commitment to export built-up cars to Iran. But the Viva and the Allegro are clearly struggling, and their problems bring the focus back to the U.K.'s difficulties over prices, quality and reliability.

Conclusions

In this context the conclusions of the Parliamentary committee are again interesting. Its report notes that "the quality of workmanship in (U.K.) car assembly is not as good as it might be," that pre-delivery checks were inadequate, and that Continental manufacturers had better test facilities.

It may be relevant that Vauxhall had a poor reputation for rust proofing in the 1960s (from which it is now discernibly, but slowly, recovering), and that the Allegro launch two years ago was marred by bad publicity about water leakages in the boot, and a troublesome suspension system — again, now overcome, but clearly damaging.

In contrast Japanese vehicles have as yet a good reputation for giving trouble-free motoring, and some Continental manufacturers, notably Peugeot and Volkswagen in the "volume" manufacturing sector (both doing well in the U.K. this year), and Volvo and Mercedes in luxury cars, have built up quality images. Datsun, the Japanese importer, claims that market surveys have shown some 40 per cent. of its first-time buyers arrive in their showrooms on recommendation.

Quality, as the Parliamentary committee stressed, is basically a problem for the manufacturing companies to solve—not the dealer. The skill of a good car company, and the reliability of its product, depends crucially on final assembly — and the relatively trouble-free working environment of the Japanese and German car industries clearly helps to produce these kind of vehicles.

Added to this is an even more difficult factor to untangle—styling appeal. Cars are undeniably fashion products, and over the last few years European styling trends have attracted a growing following in the U.K. This, perhaps, is partly a question of novelty: until the late 1960s Britain was an extremely inward-looking market with only a small import content, whereas the Continental companies had learned to live with 20 to 30 per cent. import penetrations.

These figures, of course, put the British anxiety over imports (running at an overall 32 per cent. this year) into context. They also suggest that sales of imports may normalise at between 25 and 30 per cent. (Ford, for example, was writing such a penetration into its plans a good ten years ago although it has happened more swiftly than the company expected.) On the other hand, the success of models like the Golf, the Renault 5, Audi 100 and Peugeot 504 clearly has a lot to do with their good looks, and in the case of the first two with their all-round convenience achieved through the tailgate—a styling innovation the U.K. companies were slow to follow.

The importers have also managed their marketing with considerable skill. VW and Peugeot, for example, have played on the reliability image with good effect; Renault, having produced a line of models designed for family motoring, has had a clear sector to attack; Datsun was the first to pull customers into the showrooms with offers of cheap finance and insurance. At the same time they have benefited from the rationalisation of both the Ford and BL distribution systems. Colt, the new Japanese entry to the market, has picked up 100 dealers within six months of arrival.

Morale

Many critics also consider that morale and drive is higher in the import distribution organisations. And they add that the U.K.'s attempts to follow the importers' marketing ideas have been clumsy. Chrysler's incentive schemes, for instance, have not been notably successful, and BL's "Superdeal" is now coming under attack for discriminating too much in favour of foreign car trade-ins. The next two months will answer the critics on Superdeal. But what is certain is that, in the long run, marketing campaigns of that kind are no substitute for getting the right product at the right price.

Letters to the Editor

BLMC workers' output

From Mr. G. Hislop.

Sir,—In Terry Dodsworth's analysis (August 13) of the *Parliamentary Select Committee* report on the motor industry, there is a table headed "Comparison of Labour Productivity." It shows BLMC right down at the bottom of this league.

But if one asks "How well do the workers do with the *relatively low fixed assets* provided for them?" a revealing result emerges. The value added per man per £ of fixed assets shows BLMC to be head and shoulders *above* every other company (£2.3 compared with, say, GMC at £2 or Fiat at £0.7). Since the ratio of value added to gross output of the BLMC men is about average for the European industry the variations of "in-house" manufacturing content cannot seriously affect the result.

Hence one conclusion, unmentioned, could be that the BLMC worker's output is relatively very high considering how poorly he is equipped.

G. S. Hislop.
Hadley,
St. John's Hill,
Old Coulsdon, Surrey.

Let's get on with it

From Mr. H. Reddin.

Sir,—The Ryder Report on British Leyland being a *fait accompli* can we not all rally round and get on with the job of making the organisation "more profitable than any other European motor manufacturer . . ."?

Lord Ryder and his men were appointed to do a job and must have worked very long hours to get it done in the time. Why now allow objections to damp down enthusiasm? Not everyone sold his shares in British Leyland. I, for one, have sufficient faith in Britain to stay "with it." Surely, the new Series 18/22 cars must be one of BL's best. If that is what the company can produce on the so-called out-of-date machinery, of what is it capable after re-equipment in *Ryder fashion?*

If we are going to get out of the economic crisis let us appoint a Parliamentary Committee which will look forward instead of making carping criticism of those who are trying their damnedest to get on with the job.

Harry G. Reddin,
11, Muzzle Patch, Tibberton, Glos

Unemployment figures

From Mr. R. Miller

Sir,—I cannot speak for Mr. Samuel Brittan (who is anyway more than capable of speaking for himself) but Mr. Leicester (August 12) is wrong in thinking that the Centre for Policy Studies' adjusted unemployment statistics confuse "the duration of unemployment of an individual up to a certain date" and "the total length of time that person will have spent on the register by the time he leaves." We maintain only that the number of people who have been unemployed for four weeks or less is a good indication of those who are "changing jobs."

It is a fact that a very large proportion of these people will soon find jobs and that a small proportion of them will remain on the register to become part of the "total long-term unemployed among active population" (Mr. Brittan's term *August 7*). We feel justified, however, in using this category of those "who have been unemployed for four weeks or less" as an indicator of the "frictional *component" since the author of* the article "The Unemployment Statistics and their Interpretation" in the March 1975 DoEmployment Gazette states "Actuarial calculations based on the experience of 1961-65 suggest that the number now on the register who *have been* on the register for less than four weeks is approximately equal to the number now on the register who will have been on it for up to 11 or 12 weeks by the time they leave."

Admittedly this category may well overstate the size of the "frictional component," especially at a time of increasing unemployment. But plainly there is a group of people who appear on the register who are changing jobs, and it is quite wrong to aggregate them with the "total long-term unemployed among the active population." Furthermore, the DoEmployment itself recognises that about 300,000 join the register each month, with about the same number leaving. This total is substantially higher than our current estimate of 246,000 of those who are between jobs.

Finally, nobody disputes Mr. Leicester's contention that there are now about 1m. registered unemployed in this country: what is disputed is the relevance and significance of this gross aggregation of very different components.

Robert Miller,
Centre for Policy Studies,
8, Wilfred Street, S.W.1.

Two per cent. battle

From Mr. P. Nandi

Sir,—May I, as a borrower, come to the defence of Mr. Francis (August 14) and in particular his claim quoted in Mr. Rennison's article (August 9), "that we could see the position where certain building society managers will be turning down the normal repayments applications in favour of the commission-paying endowment deals."

This is indeed the case at present, as my experience as well as those of friends and acquaintances confirm. My current mortgage was arranged by a life assurance company in conjunction with a building society. The *latter advanced 90 per cent. of* the purchase price and the life assurance company were good enough to provide a further 10 per cent. The whole loan was backed by a policy, which the company stipulated should be non-profit with an option to convert to with-profits *after* five years. No insurance broker was involved in the transaction.

We are now moving house, and as we already have a considerable amount invested in various endowment policies, I decided to inquire if the building society would be prepared to advance any further sum that we may require on the normal repayment basis. The official who interviewed me informed me that I could only obtain a loan for the amount which they had advanced on our present house.

I had no option but to approach the representative of the life assurance company. This I did on the same day, and was cheerfully told that he had just been to see the building society. For *existing borrowers there would* be no difficulty in advancing the maximum amount the building society was then lending, and the company would be happy to top this up further as necessary. I went ahead on this basis as this seemed the only way of obtaining the necessary funds. I have consequently been saddled with life assurance policies for sums far in excess of my needs, of which, the non-profit policies to says the least, are very poor forms of investment.

I would thus take issue with the building society executive mentioned in Mr. Rennison's article that it is the broker who pushes for more endowment mortgages. *It is clear that many* societies have funds committed to life assurance companies and perhaps the higher rate of interest that some societies charge for endowment mortgages is the added incentive, besides the *claim* to whole or part of the commission.

P. K. Nandi,
72 Cottrell Road, Eastville, Bristol.

Third World problems

From the National Organiser, World Development Movement.

Sir,—Gordon Tether must be congratulated on his timely article "The More That It Changes . . .", which drew attention to the deteriorating terms of trade for developing countries (August 7). We tend to forget that the world economic recession is hitting Third World countries even harder than Britain.

On one hand, falling demand from industrialised nations means decreased earnings for developing country raw material exporters. On the other hand, prices to the Third World of Western-made manufactures continue to rise with inflation, despite in Britain's case a devaluing £. The small gains of last year's commodity boom have been wiped out.

To blame all this on oil exporters for raising petroleum prices is too easy. For India, Bangladesh and the rest are also *faced* with much higher prices for grain imports from North America. Indeed, the poorest nations have become dependent on the Organisation of Petroleum Exporting Countries' charity to finance their much needed food imports. Russian and British *grain purchases give an added* boost to the world market price.

The long-term trend is clear. Developing countries' exports accounted for 34 per cent. of world trade in 1950 and dropped to only 17 per cent. in 1972. The so-called "commodity boom" of *1972-73* added no more than 2 per cent. to this share in 1973.

It may well turn out that the example of OPEC in coming together as a cartel to raise prices will begin to turn the tide in favour of the Third World. While most commodity prices remain at a low level producers have in some ways a bigger incentive to work together.

Whether the fundamentally resource-hungry nations, including Britain, will be prepared to pay higher prices to ensure food and mineral supplies is another question. Unfortunately, judging by the unrealistic response in some quarters to the Third World demand for indexing, we could be heading for a period of increased confrontation between rich and poor.

John Tanner,
World Development Movement.
Bedford Chambers,
Covent Garden, W.C.2.

Inland Revenue tables

From the General Manager, Package Programs.

Sir,—Professor Sam Eilon (August 11) simplified tax table B to fascinating extent. It would be very convenient indeed if PAYE was based on a set of rules that permitted this simplification.

Leaving aside quirks of PAYE deduction that Professor Eilon has ignored there is a fundamental reason why the full table has to be issued by the Inland Revenue. The assumption made by the Professor that all employers have pay offices is very wide of the mark. Most businesses are small and the Revenue's experience is that the cost of providing full tables outweighs the clerical cost of correcting errors made by small *employers with no clerical experience* and little interest in "doing the wages."

My experience of PAYE is based on the detailed notes for computer programmers issued by the Inland Revenue. To program a computer to follow exactly a procedure that *must* be readily understandable in a very simple clerical form is a contradiction of objectives. It can be done, but the formula published for this by the Inland Revenue is not readily understood by the layman.

If Professor Eilon could reduce the formula to a sequence of operations on a hand held calculator and come up with the correct Table A and Table B result, he would, in my view, have provided a much greater benefit to the full-time pay clerk than any manual table look-up operation, however amplified.

It should not be forgotten that tables similar to table B are provided by the Department of Health and Social Security for calculating National Insurance contributions. A much more basic question is why have two separate percentage deductions from pay but perhaps I am more simple minded than a Professor or legislator and cannot hope to receive an answer to that question.

C. C. Dilloway,
81, Southwark Street, S.E.1.

How economies go bust

From Mr. O. Smedley.

Sir,—It was a pity that Anthony Harris needed to finish his otherwise unexceptionable article on "How cities and economies go bust" (August 14) by reviving what I thought was already the exploded myth of the North Sea oil bonanza. "*North* Sea oil in the present quinquennium will produce a growth of revenues which practically cuts the task in half." The task is equating Government expenditure with its income.

Mr. Harris would appear to be a great deal more sanguine about the future prospects of North Sea oil than most of my friends in the oil business.

Oliver Smedley.
Duck Street,
Wendens Ambo,
Nr. Saffron Walden, Essex.

Health and safety at work

From The Director, The Woollen and Worsted Trades Federation

Sir,—Mr. Cartwright's assessment (August 6) of the drastic cost implications of the Health and Safety at Work Act, instanced by the requirement of the installation of full-height, fully-interlocking side-screen guards on woollen carding *machinery, attracted an unimpressive* piece of fractured logic by way of response from Mr. Gregory, August 12, of the Trade Union Research Unit at Ruskin College.

Mr. Gregory's view is that "the real nub of the safety problem" is "amply illustrated" by quotations from individuals in the context of the woollen industry's problem, and that these show that "industry and leading personnel in industry still put profit before the safety of the *workforce." May I tell Mr.* Gregory that such a prize piece of dogma by which he shows himself to be motivated has no relationship to any actual attitude to be found in the wool textile industry. We reject his assertion out of hand.

The wool textile industry has as good a record over many years as any other industry of working constructively with the Factory Inspectorate in working out the practical aspects of positive safety measures. Our response has had little to do with their effect on profits, small though the latter have generally been in an industry endlessly beset by the destructive effects of cheap imports which, in the lower-cost section of the woollen *industry alone, have put 96 mills* out of business in the past 20 years and which imminently threaten the elimination of much of what remains.

How can being forced out of business possibly be regarded as having an eye to profit regardless of all else? The ultimate dogma will have been realised when industry is run as a social service, with no production and no employees. What price industrial safety then?

What we do, and what we are entitled to do, is question *the relative significance of the* various cost factors in production in relation to the provability of the assertions of those who have the power to impose additional burdens concerning the extent to which stated objectives are unrealisable without immense expenditure. Safety is an emotive subject as well as being of the utmost importance, and we have been prevailed on as an industry to accept as an obligation the progressive provision of a virtual guarantee of safety to the most foolhardy, self-disregarding or negligent employee in a woollen carding department.

If a woollen manufacturer now says "I can't afford it," that's what he means. If he adds that the crippling expense (well over £2,000 per machine on average, £7m. at to-day's prices for the woollen industry as a whole) involves no monetary return, he means that a monetary return is the company's lifeblood, and without it the company dies. Not a good reason for putting profits before safety, but unfortunately a good reason for closing down!

It is unreal and utterly wrong, certainly in the situation in which much of industry now finds itself, to expect industry to respond with alacrity and success to *any* demands imposed upon it, however costly, by a bureaucracy with huge and exclusive powers and dependent only on its own value-judgments as to the relationship between chosen method and desired effect. Mr. Cartwright suggests a system of government "grants in aid"; we are awaiting a response from the appropriate departments to our own case for positive assistance under the Industry Act 1972.

We feel that an industry faced, at the behest of some official organism with powers of enforcement, with a financial burden out of proportion to its profitability (in the sense, be it understood, of its power to make that degree of return which ensures the livelihood of all who are dependent on its success) should have the opportunity to make a reasoned case to government demonstrating that a large part of that industry cannot afford it and is therefore at risk, and therefore that if (i) the continued existence of that industry in recognisable form and the employment it provides are important in the eyes of government, and if (ii) government departments *that should concern* themselves with the cost-effectiveness of official demands on industry are prepared to endorse the demands in question, assistance in the form of grants or loans should prima facie be available. If the government departments concerned are not prepared to endorse the demands in question, then the official department making the demands should withdraw or give much greater scope to a real process of negotiation with the industry involved.

D. G. Duke-Evans,
Lloyds Bank Chambers,
Hustlergate, Bradford.

To-day's Events

GENERAL

Swan Hunter management meets unions involved in pay dispute at its Tyneside shipyards.

Sir Murray Fox, Lord Mayor of London, ends tour of Australia with four-day visit to Brisbane, prior to going to New Zealand.

Brittany Ferries introduces passenger—car ferry sevice from Plymouth to St. Malo for two months.

COMPANY RESULTS

De Beers Consolidated Mines (half-year).

Royal Insurance (half-year).

Slater Walker (half-year).

Transport Development (half-year).

COMPANY MEETINGS

Moorgate Investment, 8, Waterloo Place, S.W., 3.15.

Parkland Textile, Leeds, 12.30.

Property Partnerships, Norwich, 12.

Salter (George), West Bromwich, 12.

Smith Bulmer, Bradford, 10.30.

OPERA

English National Opera production of the Magic Flute, Coliseum Theatre, London, 7.30 p.m.

BALLET

London Festival Ballet dance Swan Lake, Royal Festival Hall, London, 7.30 p.m.

MUSIC

Henry Wood Promenade Concerts: BBC Scottish Symphony Orchestra and BBC Singers (conductor Christopher Seaman), with Felicity Palmer (soprano), Helen Watts (contralto), Peter Pears (tenor) and Michael Rippon (bass-baritone) in Bach's *Mass in B minor,* Royal Albert Hall, London, 7.30 p.m.

CRICKET

Third Test (final day): England v. Australia, Headingley.

COMPANY NEWS + COMMENT

Midterm rise at Dufay Bitumastic

EXTERNAL sales for the first half of 1975 of Dufay Bitumastic expanded from £3.96m. to £4.76m. and profits advanced from £0.57m. to £0.63m. before tax of £0.33m. against £0.31m.

Earnings are shown to be up from 2.83p to 3.22p per 10p share and the interim dividend is 0.5p net costing £46,000. There was no interim last year, the final payment was 1.25p from taxable profits of £1.13m.

Subject to unforeseen circumstances the directors intend to recommend a 0.875p per share final dividend for this year—the maximum permitted.

Results for the first half of 1975 regarded as satisfactory. Export sales at £1.75m. were some 22½ per cent. higher.

Figures for the first six months of 1974 have been restated to give effect to the write-back to profit of the provision of £175,000 no longer required as a result of a favourable arbitration award and a consequential increase in the taxation provision. The current half year's results include £40,000 estimated recovery from this source.

As a result of cash flow combined with the receipt of the money under the arbitration award, bank borrowings at June 30, were some £0.4m. below the 1974 year end level. The directors anticipate a considerable further reduction in the overdraft by the end of 1975. In this connection it has been calculated that, as a result of the stock appreciation relief provided by the 1975 budget, the tax payable in 1976 on 1974 profits will be reduced from approximately £500,000 to about £50,000: this permits a transfer of approximately £450,000 from current taxation liabilities to deferred taxation.

Orders on hand for 70B enamel, plus the requisite primer, will require production to run at full capacity well into next year, members are told. Provided economic conditions do not bring about a major downturn in demand for other products, a good level of profits for the second half of the year, is expected.

The company is "in good shape and in a position to proceed with the development of its business," states the chairman, Mr. C. J. Bridge.

● comment

Although flattered by comparison with a fairly weak period, Dufay Bitumastic's first-half performance—profits 9 per cent. higher on a 20 per cent. rise in sales—compares favourably with recent results from other paint makers. Both the paint and bitumastic divisions have apparently increased their contributions but the main growth appears to have come from the latter, which is enjoying a high level of demand for oil pipe coatings. By the year-end the profits split between the two divisions is likely to be even more biased towards the bitumastic division (last year the ratio was roughly 50:50) as orders are continuing to come in from overseas, particularly the Middle East. So, given that the group is also expecting to see a substantial reduction in borrowings by the year-end—these totalled £1.7m. against net worth of £4.8m. last year—it should be able at least to maintain its first-half growth for the full year. A prospective yield of 5½ per cent. at 39p already seems to be taking this into account.

Statement, Page 16

HIGHLIGHTS

The City of Liverpool is coming to market for £30m.; the loan is discussed in the Lex column, where there is also examination of the Ferranti report and the latest move in the Spirella/Vantona situation, a circular from Dr. John Blackburn urging acceptance. There are good first-half figures from Dufay Bitumastic and a good level of profits is expected from the second half: but John I. Jacobs sees the outlook for 1976 as "far from encouraging" and the report from Danks Gowerton is cautious in tone. Vibroplant has earned more but examination of the figures indicates a slowdown in the rate of growth. Ega Holdings, however, has ended the year well and is proposing a one-for-one scrip issue.

J. I. Jacobs off £0.26m. at mid-way

FIRST HALF 1975 pre-tax profit of John I. Jacobs and Company contracted sharply from £1,015,000 to £752,000, and the directors anticipate that losses would arise on trading operations in the second half.

They also state that there is little real sign of improvement in the international freight markets and the outlook for 1976 "is far from encouraging."

The expected second half losses take into account the heavy depreciation and lay-up costs of M.V. Teakswood, but the losses should be offset by the profit arising on the sale of M.V. Rosewood on her safe delivery to purchasers.

As known there is no interim dividend (0.469p net), and the question of a dividend for the year will be reviewed when the results are known. For the year 1974 a total of 1.319p was paid from a pre-tax profit of £1.6m.

	Half year 1975 £000	1974 £000
Turnover	1,930	2,339
Interest etc. income	211	191
Profit sale vessel	171	—
Quoted investments*	47	†29
Interest charges	34	47
Pre-tax profit	752	1,015
Taxation	391	529
Net profit	361	487
Retained	301	379

*Increase in market value. †Decrease.

Good start for Court Furnishers

DESPITE DIFFICULTIES in forecasting, Mr. E. N. Cohen, chairman of Courts (Furnishers) is confident that satisfactory progress can still be maintained.

He reports that so far in the current year turnover and profits, both in the U.K. and overseas, show good increases over those for the corresponding period last year.

It is intended to continue the policy of cautious but steady expansion whenever suitable propositions become available.

Financially, the chairman says, the group is conservatively funded and lowly geared, with net borrowings having been reduced substantially in the year to March 31, 1975 despite capital expenditure on expansion projects. Net liquid funds increased by £1.57m.

The property portfolio, excluding deferred profit but including the directors' valuation of properties, amounts to 141.8p per share. The valuation revealed a surplus over book values of £3.6m. (£3.84m).

As reported on July 24 pre-tax profit increased from £3.26m. to £3.49m. and the dividend is a maximum permitted 2.58541p net. Overseas profits amount to approximately 40 per cent. of the total.

Meeting, Morden, September 24 at 11 a.m.

Chairman's statement, Page 16

Peak £0.9m. at Ega: 100% scrip

REFLECTING a full year's contribution by George Allen (Plastics) pre-tax profit of EGA Holdings expanded from £717,000 to a record £935,000 for the year to April 30, 1975.

At halfway when an improvement from £305,000 to £396,000 was reported the directors said they envisaged that the group would do as well in the second half.

They now say that turnover for the first quarter of the current year has been maintained, but the group is not immune from the effects of inflation.

Earnings per 10p share, for the year, are shown to have risen from 12.8p to 13.8p and the dividend is stepped up from 2.814p to 3p net with a final of 2.25p. A one-for-one scrip is also proposed.

	1974-75 £000	1973-74 £000
Turnover	6,509	4,497
Profit before tax	935	717
Tax	492	327
Profit after tax	433	390
Minority profits	20	8
Pre-acquisition profits	—	35
Profit sale lease	2	—
Profit sale freehold prop.	—	16
Tax equalisation increase	—	44
Available	435	319
Dividend	82	76
Retained profit	353	243

Excluding George Allen turnover of the other companies in the group rose 44 per cent. The plastics division benefited from an increase in direct export sales and sales by overseas companies of 52 per cent. and the engineering division saw the benefits of merging Erimus Engineering and D. G. Wiggins from May 1, 1974. T. J. Newton, the constructional steelwork company, produced a most satisfactory return through a 41 per cent. increase in turnover and the surgical company Myo Plastex brought its profits back in line with a 22 per cent. increase in turnover.

Disappointing results came from the plastics division's company in Barbados which traded at a loss for the first six months, and F. Wilkinson (Thornaby) in the engineering division which suffered as a result of fixed price contracts. Certain management changes have now taken place and both companies are now trading successfully.

● comment

Following a 30 per cent. pre-tax gain at the half-year, Ega Holdings has maintained a steady uptrend to finish the year with £935,000. With a broad spread of direct customers and 30 per cent. of its U.K. turnover (three-quarters of the total) going for export, Ega seems to have no obvious problems either here or overseas. The main doubts centre on the relative importance of the building industry as an ultimate customer (via electrical contractors) and on signs that margins are getting tighter in export markets—mainly the Middle and Far East. But these threats to profits have existed for some time and the group has continued to forge ahead. So it seems to be considerably underrated in the market, with its dividend covered more than 4 times and a 10 per cent. yield at 48p, up 4p. The trouble seems to be that the issued capital is too small to attract major institutional investors—and Ega is clearly hoping to remedy this defect with its proposed scrip issue.

Vibroplant second half standstill

ON A turnover up from £4.99m. to £5.41m., group pre-tax profit of Vibroplant Holdings increased slightly from £1.67m. to £1.73m. in the year to March 31, 1975, after £0.86m. (£0.8m.) for the first half.

Earnings per 25p share increased from 13.29p to 13.84p for the year, and the dividend is stepped up from 8.19p to 8.555p net with a final of 5.0373p.

	1974-75 £	1973-74 £
Group turnover	5,410,[illegible]	4,985,898
Profit before tax	1,729,775	1,668,123
Taxation	899,483	870,538
Net profit	830,292	797,585
Dividends	256,650	245,700
Retained	573,642	551,885

The principal activity of the company is plant hire.

● comment

Following a virtual standstill position in the second six months Vibroplant's growth rate has now been on a downward path for the past three half-yearly periods. Moreover, with the construction industry deep in the throes of a recession, there is limited potential for Vibroplant to break the run in the short-term. However, the company remains expansion-minded with a £1m. investment programme in new plant, including a move into large compressors. Cash flow, running at some £1.4m. last year, will more than take care of this capital expenditure but the need to increase the product range highlights the trading difficulties. It is as well that the shares at 85p have strong support in a 16½ per cent. yield.

Trevor Humphries

Mr. Daniel Meinertzhagen, chairman of Royal Insurance, who is due to announce the half-yearly figures to-day.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Charles Bayner	int.	1.0	Sept. 19	1.0	—	2.58
Cork Gas	int.	4.0	Aug. 30	4.0	—	10.0
Danks Gowerton		1.25	—	1.14	1.95	1.84
Dufay Bitumastic	int.	0.5	Oct. 3	nil	—(b)	1.35
Ega Holdings		2.25	Nov. 1	2.11	3	2.82
Globe & Phoenix Gold		1.25	Oct. 10	1.25	1.25	1.25
Henderson-Kenton	Add. int.	0.3	Nov. 7	—	—	1.81
Meat Trade Supplies		*7.15	—	6.7	7.15	6.7
F. S. Ratcliffe		3.24	Sept. 27	3.08	4.22	3.96
Vibroplant		5.04	Oct. 10	4.69	8.56	8.19

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) Gross throughout. (b) Total 1.375p forecast. (c) South African cents.

Danks Gowerton up £0.1m.

GROUP PROFIT, before tax, of Danks Gowerton increased from £715,760 to £811,072 in the year to March 31, 1975, after £346,756 (£294,160) for the first half.

But the chairman, Mr. A. J. S. Roe, stresses that the level of individual activity does not ensure maintenance of profit margins and a further decline may bring about a downturn in profit in the current year. Consequently, it is impossible to predict profits as high as those of the past year.

Earnings increased from 8.99p to 10.344p, and the dividend is raised from 1.8375p to 1.95p net with a final of 1.95p.

	1974-75 £	1973-74 £
Steel turnover	7,005,997	6,660,596
Engineering	2,543,693	1,831,014
Total turnover	9,549,690	8,491,610
Steel profit	716,826	707,631
Engineering	95,046	8,129
Total profit	811,872	715,760
Taxation	419,921	375,104
Net profit	391,951	340,656
Additional def. tax	—	21,452
Debenture reserve	5,000	5,000
Dividend	73,890	69,427
Forward	796,383	473,322

Net compensation on demolished property £7,074 transferred to capital reserve.

On current year prospects the chairman says there are indications that the period of destocking is coming to an end in the consumer durable industries and an uplift in demand for the products of the steel division can be expected.

In contrast, the engineering division is benefiting from both national and world demand for increased energy. Orders now on hand for the oil, chemical and gas industries ensure full production for the current financial year, but there is a noticeable reduction in inquiries for the future.

Meeting, Netherton, Dudley, September 11, at 11 a.m.

Statement, Page 15

Mitchell Somers 'not discouraged'

Although trading conditions in the die block business of Mitchell Somers will become more difficult "we are not discouraged by our overall prospects for the current year provided that we are not overtaken by some event outside the scope of our forecasting ability," says the chairman, Mr. L. J. Thomas.

As reported on July 11, group pre-tax profit for the year to March 29, 1975 expanded from £467,084 to £1,132,352, and the dividend is raised from 0.884p to 0.948p. Direct exports from the U.K. amounted to £1,735,584—all subsidiaries are engaged in engineering.

An improvement in the group balance sheet continued into 1975. The large increase in debtors occasioned by a surge in sales in the last quarter has now been converted into cash. At March 29, there was a decrease of £212,000 (increase £447,000) in overdrafts.

There is a compensation payment of £30,000 to a director for loss of office.

The Throgmorton Trust holds 10.4 per cent. and Johnson and Firth Brown 24.7 per cent. of the Ordinary.

Meeting, Connaught Rooms, W.C., September 11, at 11.30 a.m.

ALEX HOWDEN REPAYMENT

The directors of Alexander Howden Group are proposing to the holders of the £280,276 of 7½ per cent. Unsecured Loan stock 1988-93 that the stock should be repaid at £75 together with accrued interest.

Details will be sent as soon as practicable.

S. HOFFNUNG DELAY

As a result of a delay in the consolidation of the group accounts the preliminary figures of S. Hoffnung and Co. for the year to March 31, 1975, were not released yesterday but will follow before the end of the week.

ISSUE NEWS

EMPIRE STORES—96%

Empire Stores (Bradford) rights issue to raise £1.8m. on the basis of one-for-two at 25p was taken up as to 96.24 per cent. The balance has been sold at a premium for the benefit of shareholders.

COMMERCIAL BANK AUSTRALIA—96%

The Commercial Bank of Australia's rights issue of 7,968,240 shares closed with acceptances of 96.17 per cent. The balance has been sold for the benefit of shareholders entitled thereto.

WESTLAND—89%

Westland Aircraft's rights issue to raise £4.4m. on the basis of three-for-ten at 33p each has been taken up as to 89 per cent. The balance has been sold at a premium and will be distributed to entitled shareholders.

RENOLD RIGHTS

The 35 per cent. of shares not taken up by shareholders in the rights issue by Renold were sold in the market at a small premium and not left with the underwriters as stated in Saturday's Onlooker column.

Ferranti to pay 14% on Govt. loan stock

Ferranti has now entered into a formal agreement with the Government for the provision of equity and loan finance the chairman, Mr. Sebastian de Ferranti, says in a letter to shareholders accompanying the annual report.

The circular containing Mr. Ferranti's letter sets out the principal terms of the agreement under which the Government will, if shareholders approve, get control of 50 per cent. of the voting Ordinary stock and provide £15m. in equity and loan capital for the company which ran into financial difficulties in August of last year.

The circular discloses that on the £6.33m. of loan capital to be provided by the Government the company will pay interest of 14 per cent. It also reveals that service agreements are being prepared for both Mr. Sebastian and Mr. Basil de Ferranti.

No director has in the past had a service agreement and those being prepared for the Ferranti brothers will be for an initial period of three years. Among the conditions of the Government support are that the company will appoint, with Government approval, a chief executive financial director and two directors nominated by the Secretary of State. In his letter Mr. Sebastian de Ferranti says that the Board recommends shareholders to vote in favour of a resolution to implement the agreement.

In his annual statement with the full report and accounts Mr. Ferranti says that a reduction in the size of the transformer business which incurred losses of almost £2m. last year, is under way.

He adds that the eventual form of the transformer business is being discussed with both the Government and the company's employees. A new general manager has been appointed and other senior management changes have been made to strengthen the management team, he adds.

Commenting on the background to the company's financial crisis last year, he says that the company's cash position deteriorated sharply in the first quarter of the financial year. "It became clear that no cash management procedures could act quickly enough to prevent our requirements rising beyond the overdraft limit set by our bankers. Under the circumstances in which they found themselves our bankers felt unable to extend the facilities and . . . we reported the position to the Department of Industry," he says.

See Lex

GALLAHER

At the close of business on Monday Gallaher had purchased for cancellation £5,520,591 6 per cent. unsecured loan stock 1976-81 and £6,145,846 6 per cent. unsecured loan stock 1983-85, being 69 per cent. and 61 per cent., respectively of the total amounts in issue before Gallaher commenced purchasing the stocks on August 13.

Henderson-Kenton ahead

From turnover up from £2.02m. to £3.42m. pre-tax profit of Henderson-Kenton for the first quarter of 1975 improved from £84,000 to £161,000.

The directors state that the company's policy remains one of expansion, but with caution in view of the present economic climate.

They expect the company to continue to show a performance better than the sector average.

There is an additional interim dividend of 0.3p. Last year's dividend total was 1.8122p net from record profits of £871,344.

Earnings for the first quarter rose from 0.66p to 1.22p.

After tax of £87,000 (£44,000) the net balance emeged up from £40,000 to £74,000.

The activities of the group include the retail of furniture and floor coverings throughout Great Britain and provided credit facilities associated with this business.

Statement, Page 15

Edgar Allen to expand overseas

Edgar Allen has made significant progress in its examination of the special steels and high speed railway trackwork fields, and the next development for attention will be the overseas markets, including Europe, says the chairman Mr. J. D. Oakley.

This will be achieved by the expansion of existing investments and outlets, and the possible acquisition of new subsidiaries. "Within two or three years we are aiming for growing overseas investments to contribute at least 60 per cent. of group earnings," he states.

In order to achieve the growth and development envisaged, particularly overseas, the directors would be prepared to allow the gearing ratio to increase significantly, provided that growth in profitability ensures that total interest charges do not become excessive in relation to operating profit.

The ratio was 48.2 per cent. prior to the acquisition of Balfour Darwins and 52.2 per cent. thereafter.

A review of the year ended March 29, 1975, and comments on prospects were given in a full preliminary statement on June 25. Turnover for 1974-75 was £25.74m. (£18.32m.) and profit £2.14m. (£1.57m.). The dividend is 3.4587p (2.8p).

On May 24, the combined Edgar Allen Balfour group in the U.K. had orders on hand of £26.4m. The Edgar Allen group was split as to engineering £9.05m. and steel, foundry and forging £11.67m.

Meeting, Sheffield, September 8 at 2.30 p.m.

Meat trade second half slowdown

AFTER AN advance from £179,118 to £214,356 at midway pre-tax profit of Meat Trade Suppliers showed little change at £431,814 for the 53 weeks to April 5, 1975, compared with £427,222 for the corresponding period. Turnover increased from £5.58m. to £6.9m.

Earnings per 25p share are given at 9p (adjusted 7.6p) and the dividend is raised from 6.7p to 7.15p—rights are being waived on 960,000 shares.

Tax takes £194,654 (£227,047) leaving the net balance up from £200,175 to £237,160.

The company manufactures and supplies sausage casings and butchers' equipment.

Standstill at F. S. Ratcliffe

After £110,968 against £104,112 at half-way pre-tax profit of precision spring manufacturers and painting contractors, F. S. Ratcliffe Industries shows little change at £185,945 for the full year to April 30, 1975.

The dividend is lifted from 3.9572p to 4.223p with a final payment of 3.243p net.

	1974-75 £	1973-74 £
Profit before tax	185,945	184,[illegible]
Tax	100,392	[illegible]
Net profit	85,553	[illegible]
Interim div	7,794	6,956
Final div.	25,772	24,510
Retained	52,017	54,338
Tax adjustments	437	1,681
To deferred tax	—	17,762
Carried forward	313,758	261,304

MINING NEWS

Northgate in the red but still hopeful

BY LESLIE PARKER, MINING EDITOR

CANADA'S Northgate Exploration, which runs the Tynagh lead-zinc and Gortdrum copper mines in Ireland, had a net loss of $147,000 in the June quarter equal to 2 cents a share. This brings the half-year surplus down to $265,000 or 4 cents a share compared with $3.95m. or 63 cents a share in the same period of 1974.

Substantially lower prices for lead and copper allied to generally higher operating costs were the principal reasons for the setback. Current-half results are expected to be "moderately improved" compared with the first half it is stated. This hope reflects anticipated income from the sale of inventory stocks of copper concentrates from Gortdrum, which is expected to close down before the end of the year, and assumes maintenance of metal prices at current levels and normal mining operations at Tynagh.

Drill results

Northgate is continuing its probing of the ground about 1¼ miles north of the big Tara zinc deposit and adjoining the prospect being drilled by the Messina-Sabina partnership. Assay results from a fourth hole cut a 25-foot intersection grading 12.21 per cent. combined zince and lead. Since then 27 more holes have been put down. Two cut mineralisation, eight hit weak mineralisation and the remaining 17 "significant" mineralisation. The last-named area is around 1,200 feet long by 600 feet wide but is divided in two by an east-west fault. Grades vary from 4 to 24 per cent. combined and thicknesses from 15 to 55 feet.

Further detailed drilling is required before any estimate of possible mining reserves can be made, it is stated. Northgate has a 10 per cent. equity stake in Tara and a direct and indirect interest of 9.6 per cent. in Vestgron which operates the Black Angel lead-zinc mine in Greenland which made a net profit of $8.39m., or $1.98 a share, in the first half of 1975. Yesterday Northgate were 3p up at 280p.

ZCI PASSES ITS FINAL DIVIDEND

No final dividend for the year to June 30 last is being paid by Zambia Copper Investments owing to exchange control considerations. It is pointed out that dividends declared on the company's 49 per cent. holding in Nchanga Consolidated Copper Mines for the first two quarters of the latter's year to June 30 (dividends for the succeeding two quarters were passed) amount to $U.S.10.33m.

However, permission for these funds to be taken out of Zambia has not yet been received from the Zambian exchange control authorities who are unable to indicate when it might be forthcoming. The Bank of Zambia has reassured ZCI that externalisation of its funds will be approved as soon as the overall position allows.

When the money is eventually externalised, ZCI will give immediate consideration to the declaration of an interim dividend out of retained profits carried forward, for the year to next June. ZCI, which also holds 12.25 per cent. of the Roan Consolidated Mines Copperbelt group, declared an interim of 4 cents for 1974-75 compared with the previous year's total of 40 cents.

I TOLD YOU SO, SAYS MR. COOK

In a half-year report from Westralian Sands, the Australian beach sands minerals producer, the chairman Mr. Tom Cook says that the company's warning that the country's mines could lose a substantial part of the overseas market for zircon owing to the enforcement of "unreasonably high prices" by the Australian Government's Department of Minerals and Energy had now been borne out by events.

Demand has fallen away rapidly, substitution has been encouraged, some buyers are in financial difficulties and other countries have been encouraged to produce zircon from reserves previously considered uneconomic. It is now obvious to everyone that prices must come down substantially if Australia is not to lose half or more of the world market for the mineral, Mr. Cook says.

All producers, together with the Governmnet, are now trying to find common ground for effecting such a change for deliveries in 1976 or later. Westralian Sands has been doing its best to combat the effect of the Government's minerals export policy but there have been some cancellations of contracted deliveries over the next six months and future sales are almost certain to fall short of plant capacity.

Altogether, the mineral sands industry is again about to enter a "fiercely competitive marketing period," the chairman concludes. Even so, he reckons that Westralian Sands should derive continued profitability from sales which should still exceed the 1974-1975 tonnages.

GLOBE'S ASHES ARE GLOWING

The U.K.-registered Globe and Phoenix reports a year of mixed fortunes. Taking a notional and conservative exchange rate of $Rh.2 to the pound, the parent company has lifted 1974 pre-tax profits to £273,513 from £110,952. Of the latest total only about £18,000 has been generated in the U.K., the rest reflecting the Rhodesian gold and other activities.

On the other hand, Rhodesian tax is sharply higher and Globe and Phoenix has had to carry its share of the losses of the associated Phoenix Mining and Finance U.K. dealing company which has been hit by adverse share market conditions. However, the dividend has been maintained at 1.25p with the help of a modest drawing on the large retained profits of previous years.

While it is hoped that Phoenix Mining will do better this year, Globe is using its financial reserves, which are blocked in Rhodesia, for further property, mining and other development there in anticipation of the day when, hopefully, there will be a satisfactory settlement of the political problem.

Gold-mining has at last come to an end after almost 100 years at the fabulously high-grade mine but the clean-up process, which will involve treating mine residues and the sale of machinery, is expected to yield about £1m. over the next five years or so. Assets—which are nearly all in Rhodesia—are being revalued and, in all, they could be worth the equivalent of about 150p per share. The latter closed 3p off at 43p yesterday.

Impala payment

AFTER HAVING omitted payments for the middle two quarters of the year to June 30 last, the Union Corporation group's Impala Platinum has returned to the dividend list with a final quarterly payment of 15 cents (9.95p) which, with the year's first interim, makes a total of 45 cents against 75 cents for 1973-74.

The past year's profits come out at R33.7m. (£22.4m.) compared with R39.9m., equivalent to 281 cents (186p) per share against 332 cents per share. In line with the fortunes of the market in platinum, Impala's earnings advanced in the first half of the past year only to retreat in the following six months.

Profits for the latest period have been struck after loan interest of R8.4m. (R5.6m.), currency realignments R1.9m. (R0.1m.), and increased leave pay provision R80,000 (R1m.). Capital spending in the past year totalled R23.8m. (R67.7m.) and is expected to be about R10m. in the current year. Insurance payments so far received in respect of November's tailings dam burst amount to R3.9m.

Impala adds that production has been reduced to the planned rate of 0.6m. ounces a year and is being maintained at that level for the time being. A stake of 21.56 per cent. in Impala is held by Bishopsgate Platinum, the shares of which were 107p yesterday. Those of UC Investments were 405p.

ROUND-UP

In Australia, on equity accounting calculations, Comalco's half-year net profit is down by 36 per cent. at $3.1m. On a statutory basis it would have been down by 76 per cent. compared with a year ago. The drop was due to depressed industry conditions, increases in government imposts and in costs and inflationary influences on interest rates with the last-named alone accounting for two-thirds of the profit reduction. There is as yet no indication that economic conditions in the company's market areas will appreciably improve during the remainder of 1975. The Comalco aluminium project is owned as to 45 per cent. by CRA the 80.7 per cent. subsidiary of RTZ.

The Consolidated Gold Fields group's Azcon Corporation in America netted $20.15m. in the year to June, equal to $4.12 a share compared with $4.37 for 1973-74. Expiry of the accumulated tax loss carry forward meant that the credit from this source in the latest period was only 87 cents a share against $2.10.

A further slight rise in output is reported by South Africa's gold mines. Last month's total of 1,959,856 ounces compares with 1,938,214 ounces in June, itself the highest since last October, but goes against 2,073,531 ounces for July, 1974.

This brings production for the current year to date to 13,196,834 ounces compared with 14,405,270 ounces for the same period of last year when the 12-month output totalled 24.4m. ounces, the lowest for 13 years.

The shares of Deelkraal Gold now qualify for the issue of American Depositary Receipts in New York where they will be traded on the "over-the-counter" market and for the issue of International Depositary Receipts in Brussels it is announced by Morgan Guaranty Trust.

BIDS AND DEALS

Dr. Blackburn urges support for Spirella

The managing director of Vantona, one of two directors backing a £5m. bid from Spirella in the face of opposition to it from the rest of the Board, yesterday again urged Vantona holders to back Spirella.

In a letter, "fully supported" by his advisers Hambros Bank and approved by Mr. J. A. Morris the other director, Dr. John Blackburn reiterates his conviction that Spirella's offer is fair and reasonable bearing in mind that "the market price for ordinary shares of Vantona has not been as high as the offer price from Spirella for the last 12 months."

Dr. Blackburn also disassociates himself from the Vantona £3.3m. profit forecast made for the year to March 27, 1976 and issued last week. Although the forecast was backed by Mr. Morris Dr. Blackburn says it is "hazardous," in the light of recent comments by Marks and Spencer and others about sales in the coming year, to make any prediction about future trading activity.

Dr. Blackburn is also critical of the decision of the Board materially to increase the dividend "on the basis of profits which have not yet been earned" and up to a level which "would not have been covered by last year's earnings available to Ordinary holders." And he says, while he does not want in any way to undervalue Vantona's "inherent strength," the Spirella offer is in the best interests of shareholders and employees.

See Lex

GRIMSHAWE SALE TO BJN

Grimshawe Holdings, the Leeds based financial and industrial concern still under the chairmanship of Mr. Thomas Kenny, the city accountant, is to sell most of its paint, wallpaper and decorators supplies' subsidiary to PGW Holdings, a member of the Berger Jensen and Nicholson paint making group.

The deal, which is in stages and should be worth about £1.5m. to Grimshawe by the time it is completed in March 1976, gives Berger (a subsidiary of Hoechst of West Germany) some 80 retail outlets and six merchanting locations, a valuable prize as competition between the big three paint manufacturers—ICI, WPM and Berger—intensifies in the High Street.

For Grimshawe the sale of Mangers paint and wallpaper interests means that the industrial division's bank borrowings and short term loans of £850,000 can be eliminated, although it will have no effect on the net assets or profits after interest of Grimshawe.

Grimshawe will retain the freehold on the 20 or 30 retail outlets it owns and they will bring in about £107,000 a year. PGW will buy all the Mangers stock at net replacement value in stages over the next nine months. In April 1975 the stock in trade at net replacement value was worth £978,000.

PGW will also acquire all the other fixed assets at the book value of approximately £200,000 and the industrial division of Grimshawe Holdings will continue to make and distribute "do it yourself" sundries, plastic products, specialist chemical coatings and the merchanting of polythene sheeting. The Scottish retail division of Mangers Trading is not affected by the deal.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: American Trust, Consolidated Diamond Mines of South West Africa, Horace Cory, De Beers Consolidated Mines, De Beers Industrial Corporation, Direct Spanish Telegraph, First Scottish American Trust, Martin Ford, Royal Insurance, Slater Walker Securities, Thurgar Bardex, Transport Development.

Finals: Arbour Court Investments, Attock Oil, Peter Brotherhood, Capital and National Trust, Heron Motor Group, Houchin, Leopold Joseph Investment Trust, Rennies Consolidated.

FUTURE DATES

Interims:—	
Barton & Sons	Sept. 16
Brammer (H.)	Aug. 27
Bury & Masco	Sept. 16
Delta Metal	Sept. 25
Ferro Metal & Chemical	Aug. 28
Mackay (Hugh)	Sept. 17
Noble & Lund	Aug. 22
Spencer (George)	Aug. 28
Trade Indemnity	Sept. 18
Tst. & Agency Co. of Australasia	Sept. 18
Turner (W. & E.)	Aug. 20
Finals:—	
Brigray	Aug. 22
General Engineering (Radcliffe)	Aug. 22
Regional Properties	Aug. 22
Smith Bros.	Sept. 2

FITCH LOVELL £1.45M. FOR JUS ROL

Fitch Lovell, the frozen food group, has made a £1.45m. offer for Jus Rol, the pre-packed frozen food company. Shareholders representing 76 per cent. of the equity have already accepted.

Jus Rol, which is based in Berwick-upon-Tweed, had a turnover in the year to April 1975 of some £4m. with pre-tax profits of over £200,000. It specialises in the production of frozen pastry of various kinds and Fitch Lovell feels that it will fit in well with the group's existing frozen food operations.

NO PROBES

Secretary of State for Prices, Mrs. Shirley Williams, has decided not to refer to the monopolies commission the proposed merger between Cadbury Schweppes and Glenville and that between William Mallinson and Denny Mott and N.K.T.

FOSECO MINSEP

Fosmin Industries, the Foseco Minsep subsidiary, has sold its controlling interest in Grand Prix (Leizurewear), the men's knitwear firm, to the company's founder and managing director, Mr. Robin Parkinson. Terms of the deal and the size of Fosmin's holding have not been disclosed but Grand Prix says it will now have greater flexibility.

Mears sells mine interest for £0.7m.

Mears Bros., the civil engineering group, has sold its interests in an opencast coal mine in Yorkshire, and the plant and equipment associated with it, to James Miller and Partners for £700,000 in cash.

Miller is an Edinburgh based private company with activities in construction, housing, plant hire and opencast mining with five sites currently being worked in the opencast mining division. Mears will use the funds to reduce borrowings and improve the profitability of the Mears Group.

CNR BACKING FOR CAST ORGANISATN.

By Our Own Correspondent

HALIFAX, August 18.

THE Canadian National Railway is planning a $12m. investment in the Cast Organisation, a trans-atlantic shipping line that controls 37 per cent. of Manchester Liners. The acquisition, which requires Federal Cabinet approval, is seen by some observers as a prelude for control of Manchester Liners and for CNR to have a stake in both.

Almost all of the remaining Manchester Liners' shares are owned by Furness Withy. When Cast bought heavily into its subsidiary recently, Furness Withy said it had no intention of relinquishing control.

The Philip Gorick, North American director for Manchester Liners, said at the weekend that no approaches had been made by Cast to either of the British companies for a further share acquisition. He could not say what the reception would be if an offer were made, but he repeated the earlier insistence that Furness Withy intended to keep control.

The CNR acquisition would be roughly an 18 per cent. purchase of the shares of two holding companies, Eurocanadian Shipping, of Bermuda, and Intercast of Switzerland. Their president, Mr. Frank Narby, and a Montreal-based investment company Helix Investments, are principal shareholders of Cast.

Cast is a non-conference line, and operates five mixed cargo and container ships serving continental European ports and Montreal.

● In London a spokesman for Furness Withy confirmed that neither FW nor Manchester Liners had been approached by the Cast Organisation. "We are not sellers of Manchester Liners. We wish to retain our interest and we do not envisage an offer that would make us change our mind," the spokesman added.

SCAPA GROUP

The Scapa Group has acquired Clucas and Atherton of Delph, near Oldham, for a total price £225,000.

Clucas and Atherton together with its subsidiary Gatehead Textiles, is a small private company engaged in commission yarn dyeing.

Purchase price will be satisfied by the payment of £120,000 in cash and the issue of 190,909 shares in Scapa.

RESULTS AND ACCOUNTS IN BRIEF

W. E. NORTON (machine tool Merchants)—Results for year to March 31, 1975 reported July 26. Group fixed assets £122,290 (£88,671). Net current assets £263,319 (liabilities £50,113). Chairman confident of further growth possibilities. No audited accounts of KTM Machine Tools (Holdings) yet presented. Auditors unable to satisfy themselves that company's investment equal to book value. Meeting Grosvenor Houtel S.W. on September 2 at noon.

HICKING PENTECOST AND CO. (textile manufacturers and commission dyers)—Results for year to March 31, 1975 reported July 3 with observations on prospects. Group fixed assets £2.97m. (£2.19m.). Net current assets £1.2m. (£0.98m.). Meeting, Nottingham, on Sept. 10 at noon.

EAST ASIATIC RUBBER ESTATES—Results for year to March 31, 1975, reported August 8. Fixed assets £545,597 (£538,868). Net current assets £634,150 (liabilities £34,596). Meeting, Kuala Lumpur on August 28.

GOLD FIELDS PROPERTY COMPANY—Results for year to June 30, 1975, already known. Group fixed assets R6.68m (R4.7m.). Current assets R3.32m. (R3.73m.). Land and township development R5.29m. (R3.79m.). Current liabilities R2.01m. (R3.03m.). Meeting, Johannesburg on September 8.

MARRYAT GROUP (engineers and property developers)—Results year to March 31, 1975 and observations on prospects reported July 22. Group fixed assets £6.94m (same on new basis). Current assets £11.65m. (£8.35m.), liabilities £12.33m. (£9.71m.). Accounts adjusted for current purchasing power show pre-tax profit (£000s omitted) £1,330 (£1,317). Net profit after tax and extraordinary items £1,030 (£355). Auditors report states they are unable to ascertain whether certain properties included in accounts at £4.87m., or whether the revaluation surplus, included in capital reserves amounting to £2.13m., are fairly stated. Meeting, The Churchill, Portman Square, W, September 5, noon.

WALLIS AND CO. (COSTUMIERS)—Results year to January 31, 1975 and observations on prospects reported August 1. Group fixed assets £1.47m. (£1.29m.). Current assets £1.75m. (£1.02m.), liabilities £1.47m. (£0.98m.). Net assets £1.51m. (£1.13m.). Meeting Connaught Rooms, W.C., September 11 at 11.30 a.m.

SUNGEI BESI MINES—Results year to March 31, 1975 already known. Fixed assets £1.37m. (£1.58m.). Net current assets £1.31m. (£0.58m.). Meeting Rolls Buildings, Fetter Lane, E.C., September 4, noon.

WESTERN BOARD MILLS—Results year to March 31, 1975 reported July 25. Group fixed assets £0.96m. (£1.02m.). Net current assets £0.77m. (£0.61m.). Chairman says first two months of current year show satisfactory profit in spite of turnover continuing at depressed level. Meeting Cardiff, September 22, noon.

CONTINENTAL AND INDUSTRIAL TRUST—Results year ended May 31, 1975 reported June 28, with net asset values. During the year the currency borrowings were reduced. All this borrowing, now standing at $1.02m., is invested in U.S. equities. Meeting, 120, Cheapside, E.C., Sept. 9, at 3 p.m.

HALLAM SLEIGH & CHESTON—Seven months to March 31, 1975. Turnover £1.87m. (£2.7m. previous 12 months). Trading profit £11,968 (£29,385). Exceptional items nil (£5,229). Pre-tax profit £11,968 (£24,156). The period included a retrenchment programme culminating in the disposal to Harrison and Marshall of the presswork division. In carrying out the various activities to ensure the smooth transfer of employees and materials, excess costs have had to be absorbed. The programme is virtually completed, and company is better poised to take advantage of any upswing in economy, or withstand any deepening of the recession. The results are not as good as had been anticipated, but it is gratifying to be able to survive in these high inflation—price control days, both of which take their toll on margins in the short and long term, says chairman.

GLOBE AND PHOENIX GOLD MINING COMPANY—Dividend 1.25p net (same) for 1974. Pre-tax profit £171,735 (£111,642) after associated companies losses £101,773 (profit £600). Tax £169,636 (£53,504). Extraordinary credits nil (£30,278). Distribution by associated companies in excess of their profit nil (£11,818). Loss retained by associated companies £103,337 (nil). Profit after all charges £118,616 (£100,426). Retained £100,616 (£90,426). Earnings per share 0.26p (6.60p) before extraordinary items. Board states that a recent revaluation of the Globe and Phoenix and Bell Riverlea Mines indicates a net realisable value of approximately 3m. Rhodesian dollars in excess of their book values before providing for tax. They also revalued those fixed assets which will continue to be used to earn revenue, and this shows an increase in the book value of fixed assets of £510,006. A provision of £188,378 has been made for additional tax on disposal, leaving a net surplus of £321,625 which has been credited to reserves. A development programme has been agreed, aimed at replacing the fall-off of mine revenue from other sources, to ensure the continued profitability of the company and the preservation of its Rhodesian assets.

Clive Discount well placed

MR. P. E. RUDD, chairman of Clive Discount Holdings, says the company's strong financial position will enable it to overcome the problems which will arise during the current financial period of nine months to March 31, 1976.

Caution will continue to be the policy, but the directors believe the company is well placed to take advantage of any opportunities that occur.

As reported on August 5 group profit for the year to June 30, 1975 was £821,877 (loss £37,892), and the dividend is 1.045p (0.888p) net. Had the capital been listed for the entire year dividends totalling 3p would have been recommended, says Mr. Rudd.

In view of the current difficult situation of the U.K. economy extreme prudence is being exercised in that the average life to maturity to investments is shorter than in recent history. Consequently the 1 per cent. increase in MLR last month had no adverse effect on the company's strength.

Apart from the good results of the discount house, Clive Investments continued to make progress and in the past year it made a worthwhile contribution to profits.

The former parent company, Sime Darby London, has retained an interest of 14.9 per cent. in the Ordinary.

Total group net assets increased from £4.39m. to £5.27m. Current assets of £192.78m. (£151.11m.) included bills discounted £144.24m. (£84.79m.), investments £8.03m. (£29.12m.), and certificates of deposit £39.4m. (£40.13m.). Current liabilities of £187.71m. (£146.72m.) included loans against bills and securities £173.9m. (£127.78m.) and deposits, tax, etc. £13.81m. (£19.88m.).

Meeting, 1, Royal Exchange Avenue, E.C., September 10, noon.

Chairman's statement, Page 14

Balfour Darwins loan swop

Following the recent take-over by Edgar Allen and Co., of Balfour Darwins, proposals are now being put to the holders of Balfour's outstanding £946,461 of 7¾ per cent. Unsecured Loan stock 1986-91, for the cancellation of their stock and the issue in exchange of an equivalent nominal amount of 7¾ per cent. debenture stock 1987-92 of Edgar Allen.

A meeting of Balfour stockholders to consider the proposals will be held on September 8.

Progress at E.M.I. (Australia)

FROM a turnover up 62 per cent. EMI (Australia) reports pre-tax profit for the year to June 30, 1975, improved from $6.28m. to $7.95m.

The directors explain that the results were very favourably influenced by the strong initial consumer demand for colour television receivers which followed the introduction of colour television transmission into Australia.

As at March 31, 1974, the company took over Music Houses of Australia and group turnover for the previous year included only a proportion of the sales of that company and its subsidiaries.

Substantial stocks were written off and other costs arose as a result of the cessation or intended cessation of certain manufacturing activities of the group. This action was largely rendered necessary by the reduction of import duties on electronic goods. The expenses concerned have been treated as extraordinary items of $365,300 ($199,733).

The final dividend is 7 cents for a 10 cents (same) total.

	Year 1974-75 $	1973-74 $
Depreciation	1,108,257	907,458
Pre-tax profit	7,954,167	6,281,582
Tax	4,014,887	3,322,159
Extraordinary items	365,300	199,733

Rhys David analyses the Spirella bid for Vantona, which closes tomorrow

Uniting two textile entrepreneurs

FOLLOWING THE noisy annual meeting of Vantona, the Manchester-based household textile concern, at the end of last month, shareholders are now faced with deciding whether or not to accept a bid from Spirella and are likely to have much more on their minds than the value that is being placed on their shares. For with Vantona's Board already split on whether or not to accept the Spirella offer—enthusiastically backed by the Vantona managing director, Dr. John Blackburn, but opposed by the chairman, Mr. Herbert Pilkington—the meeting threw additional light on the problems and dissension within the company of the past year.

Though the former chairman, Mr. Basil Glass, failed in his bid to get back on the Board to work for the appointment of a new chairman, shareholders got some of the flavour of the arguments about his removal at a cost to the company of £139,000 in severance payments. The generous service contract for Mr. Pilkington also came to light.

As if all this were not enough there remains the prospect of a further shake-up in the board room once it becomes clear whether the Spirella offer, due to close to-morrow, has succeeded. Dr. Blackburn, who has largely been responsible for building up Vantona, would find it difficult to stay on if the merger fails to get the approval of shareholders; if the bid succeeds then Mr. Pilkington will be in an equally difficult position.

New type

While all this gives the bid and its outcome interest enough, it also has wider implications, not just for the two companies concerned, but for the U.K. textile industry as a whole. For a merger would create a new type of textile major in the U.K. specialising mainly in one product area—household textiles—competing furthermore with the very big groups in an area in which they have been showing increasing interest, and at a time when they are going through a process of change.

A merger would also bring together two of the leading entrepreneurial figures in U.K. textiles in Dr. Blackburn and Mr. Davoud Alliance, both of whom have had considerable success in building up their respective groups. Vantona's profits have fallen this year from £3.6m. in 1974 to £2.54m., partly as a result of problems in overseas operations, but a recovery to £3.3m. profits next year has just been forecast and the record over the past ten years has been one of considerable growth, with sales increasing from £10.7m. in 1966 to £41m. last year. Spirella's turnover has increased from £14m. in 1970 to £29m. last year with profits up from £874,000 to £2.4m. If the merger goes through the company will be run by a triumvirate of managing directors—Mr. Alliance and his fellow m.d. at Spirella, Mr. Jack Menaged, together with Dr. Blackburn—until a more permanent top management structure is worked out.

Such a merger has been mooted for some time, and for two years has been under active discussion for reasons which Dr. Blackburn and Mr. Alliance make clear. Both companies specialise in household textiles but in broadly different products. *Thus Vantona's strength* is in bed linen—polyester-cotton sheets, pillow cases, duvet covers, bedspreads—and to a lesser extent in table linen and furnishing fabrics. The company has invested heavily, including £1.2m. last year, and with the recent acquisition of a spinning company is now completely vertical.

Spirella, which also has important interests accounting for nearly half of its turnover in foundation garments and fashion like Vantona is in sheets and bedspreads: but its strength is in towels. The company, supported by the Industrial Re-organisation Corporation, helped to restructure the Lan*cashire towel industry in the* early 1970s, then in some danger of collapsing under pressure of imports. The company has established itself as a leading supplier to Marks and Spencer and other important outlets and has strong branded operations, using Horrockses and other names.

But although Spirella has acquired spinning and weaving, much of the yarn and cloth it processes in its household textile division is bought in, with a substantial proportion coming from overseas. A merger, Mr. Alliance claims, would enable the combined group to offer a full range of *household textiles.* Furthermore, many of the goods now bought in by Spirella could be spun, woven or finished by Vantona, which is particularly strong in wide-width printing through its Albert Hartley and Berna d Wardle subsidiaries.

Equally, Vantona's hotel and restaurant linen hire subsidiary, Modeluxe, which now uses imported towels, could obtain its supplies from Spirella which is currently installing advanced new towelling machines.


Both Mr. Davoud Alliance, managing director of Spirella, left, and Dr. John Blackburn, the Vantona managing director, have been enthusiastic backers of the take-over. They are opposed by other Board members.

Exports

Thus, though some rationalisation might be necessary, the unions have been convinced that a merger could lead to the creation of a stronger group able to reduce imports, increase exports and offer greater security of employment to its members. As a result it has had the backing of the two joint general secretaries of the Amalgamated Textile Workers' Union, Mr. Joe King and Mr. Fred Hague, both of whom were at the stormy Vantona meeting.

In addition to creating a big new group with a combined *turnover of more than £70m.,* the merger could also lead to intensified competition in a market already worth more than £300m. a year for household textiles as a whole, and the scene of fairly dramatic changes in recent years. For as the example of the humble sheet shows, the big development in household textiles over the past decade has been the injection of a much bigger fashion element—a trend which suits the consumer and the textile producers.

The consumer is getting more colour and the chance to brighten up bedrooms and match bed linen with carpets and curtains. The textile groups which have enthusiastically set about building up strong branded operations, with some also turning to big fashion names like Yves Saint-Laurent, Mary Quant and Pierre Cardin *to design and co-ordinate a* range of products, have been doing equally well. Once sheets or towels cease to be plain white commodity type products but part of an overall bedroom or bathroom scheme it becomes that much more difficult for low-cost importers to penetrate the market as in other textile areas.

The big groups are also able to charge a much higher price for a fashion product and, as with any product influenced by style and design, the customer will be tempted to change it more frequently. Fashion in bed linen has gone hand-in-hand with the introduction into the sheet market of easily-printed cotton-polyester blend material but the way had already been paved by the huge success of nylon sheets in the late 1960s, giving the housewife easy care properties in bed linen for the first time.

Thus a merger between Vantona-Spirella would see the group operating in a highly competitive, but recently fast-changing, textile area in which the two individual companies have both prospered in recent *years. Furthermore, although* much smaller than the "big four"—Coats Patons, Courtaulds, Tootal and Carrington Viyella—each of which now has a turnover of more than £200m., it would be bigger in household textiles.

Household

A Vantona-Spirella coverage of the household textile market will also be more broadly-based *and as such the group should be* able to go further in adopting a co-ordinated approach to design and marketing.

The main uncertainty which must hang over the market in the short term is the economy. Demand for household textiles has held up relatively well over the past difficult year and the forecasts are that expenditure will continue to rise faster for household textiles than for other textile products. Much of the investment that has *taken place by the big groups* has been based on the expectation that the public will be prepared to trade up and pay a higher price for fashion *co-ordinated home furnishings.* This, however, has yet to be tested at a time of declining living standards when the public may be reluctant to throw away goods simply because they are out of date. Household textiles are also still sold in the U.K. through a wide variety of outlets, from markets and mail order to department and specialist shops, some of which will look for cheaper supplies if spending tails off. As a result, some of the bigger groups could be forced to look *more to their export laurels to* maintain their margins in household textiles.

Nevertheless, the merger will, if approved, create a powerful *new group which will serve as* a new yardstick against which the performance of the industry's big four can be measured. Each of the four has developed on a multi-product basis covering large sectors of the textile market and each is entering the second generation of development. All four are seeing changes in top management this year with those responsible for creating or consolidating the groups in the 1960s following the mergers handing over to lieutenants. After a distinctly *quiet time, a new period of* change may be in store for the U.K. textile industry as it climbs out of the present worldwide recession in demand.

Outlook for Richardson Westgarth

GENERAL PROSPECTS for the current year of Richardson West*garth and Co. are particularly* difficult to assess, states the chairman Mr. A. D. McN. Boyd. However, despite "the many unfavourable omens," the company should hold its own and all necessary action within the directors' control will be taken to maximise the outcome.

Apart from the anxieties of the current economic situation and a downward trend in order intake being apparent in certain *activities, together with "alarming"* increases in wage rates, the main cloud hanging over the group's affairs has been—as last year—the threatened nationalisation of George Clark and NEM and The Humber Graving Dock and Engineering Co.

If the nationalisation Bill is enacted with the present compensation terms, the group will stand to receive at some unspecified date after vesting day, and with *no indexation, "very substantially* less than these two companies are worth," members are told. To rebuild the group and replace the profit lost with compensation moneys of this low order will be a major task. "This, however, if it has to be, will be tackled with determination bred from a feeling of deep injustice," declares the chairman.

As reported on July 16, taxable profits rose from £2.13m. to £2.35m. for the year to March 31, 1975, on turnover up from £27.3m. to £35.76m. The dividend is the maximum permitted 3.5786p *(3.369p) net.*

An analysis of turnover and profit by activity shows: Engineering products £15.99m. (£11.33m.) and £0.8m. (£0.74m.), shiprepairing and engineering services £10.72m. (£7.66m.) and £0.87m. (£0.67m.) and stockholding and merchanting £9.05m. (£8.31m.) and £0.69m. (£0.72m).

A statement of source and application of funds shows a decrease in cash balances and increase in bank borrowings of £1.3m. (3,000).

The chairman says that profits at George Clark and NEM were disappointingly below forecast for the Wallsend and Sunderland *Works but results at the Hartle*pool Works were improved despite the fact that demand for large shell boilers was again low.

Prospects for the current year are clouded by high inflation and its effect on fixed price contracts and the continued threat of nationalisation.

A year of high activity at The Humber Graving Dock and Engineering Co. on shiprepairing together with an increase in non-marine work resulted in a substantially improved profit. The small works in Hull contributed well to this result. Shiprepairing demand is holding up and non-marine work should continue at present levels. *Prospects for the* year are for a similar profit.

It was a difficult year for steel stockholders, particularly those involved in flat rolled products, with acute shortage of supplies in *the earlier months swinging* to shortage of orders, erratic material prices and generally poor market conditions for the later months. In the present climate, prospects are difficult to forecast, but until there is an upturn in trade lower profits must be assumed.

Meeting Wallsend, on September 17 at 10 a.m.

Denbyware first quarter progress

At the annual meeting of Denbyware held yesterday the chairman, Mr. G. H. Robinson, said results for the first quarter were ahead of last year; and the company was in a very strong position to meet the future with its steady *investment in capital equipment* beginning to pay off.

"We believe that we have considerable strength in all the areas which we need to progress the business," he said.

The *special* resolution altering the Objects Clause of the Memorandum of Association was approved. The change clarifies the authority of the parent company in giving guarantees and negotiating lines of credit and other borrowings on behalf of its subsidiaries

C. Baynes orders declining

Manufacturers of backsaw blades, Charles Baynes reports first half 1975 turnover up from £465,778 to £602,805, and a profit of £99,231, against £77,195, subject to tax of £51,400 (£40,141).

Since June the intake of orders has shown a very sharp decline, and the company is now in a position where output is exceeding incoming orders, the directors state.

As before the interim dividend is 1p net. Last year's total was 2.556p from a pre-tax profit of £152,435.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	165	Akroyd & Smithers	165	......	u12.5	1.7	12.1	7.6
$106	F.P.	—	£77	£75	Brazilian Invs. S.A.	£75	......	—	—	—	—
55	F.P.	21/8	56	54	Lawrence (Walter)	54	......	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
‡‡	F.P.	21/8	93	87	Adwest Grp. 10½% Cnv. 95/2000	87	−1
$100	F.P.	—	101½	£99½	Barclays Bank Int 9¾% Capital Notes 1982	99½	−1½
£100	£10	7/11	11⅝	10	Barnet Corp. 13¼% 1980	11⅝	+⅝
£100	£10	7/11	12¼	9½	Do. Do. 14% '84/6	11¼	+½
£100	F.P.	—	100	98¼	CSR 9¾% Notes 1980	100	+1½
**£99	£10	12/9	10½	9½	Camb. Water 9% Red. Pref. 1980	9½	......
£100	£50	—	49½	46½	Ciba Geigy (G.F.S.) 8¼% Guar. Ln. 1982/85	46½	......
£97½	£50	12/9	50⅝	49½	City of Westminster 13¾% Red. St. 1981	50⅝	+⅝
£99	F.P.	—	100	98	Clayton Dewandre 16% Deb. 90/5	99	+¼
£98½	£10	8/12	11¼	9⅞	Derby Borough Council 13¼% Stk. 1982	11¼	+⅝
‡£99	F.P.	29/8	100¼	99	East Surrey Water 9% Red. Pref. 1980	99	......
‡£100	F.P.	—	104	89	English Properties 12% Conv. Ln. 2000/5	89	−1
£100	F.P.	—	106½	100	Enula Finance (U.K.) 9% Conv Gtd Uns Ln 85-90	102	......
£99	F.P.	31/7	112	100¼	Folkstone Dist. Water 9% Red. Prf. 1980	100¼	......
£100	£50	23/10	56¼	52	Hoechst 10% Guar. Ln. 1980	56	......
‡£100	Nil	—	3½	½	Land Secs 10% Conv. 90/5	1½pm	−½
‡£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	102½	+1½
£99	£10	—	10¼	8½	Newcastle & Gate 9% Red. Prf. 1980	8⅝	−⅛
£99	F.P.	31/7	112¼	100¼	N. Surrey Water 9% Red. Prf. 1980	100¼	......
‡£100	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. '90/5	88	......
£99	F.P.	29/8	99¾	98½	Sunderland Water 9% Red. Pref. 1980	98½	......
‡‡	F.P.	—	90	77½	Turner Curzon 16% Conv. Uns. '78-80	85	......
‡‡	F.P.	29/8	101¾	98¼	Whitbread 11% Conv. 1996	99¼	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	‡	Stock	Closing Price p	+ or −
18½	F.P.	13/8	10/9	Adams Foods	19	+1
110	F.P.	28/7	25/8	Anderson Strathclyde	111½	+1½
25	F.P.	7/7	21/8	Barrow Hepburn	34	......
46	F.P.	7/7	10/9	BOC Intl.	46	+3½
90	Nil	22/8	17/10	B.T.R.	39½	+5½
Is£1.25	Nil	—	—	Bank of Leumi (Israel)	8pm	−1
115	F.P.	21/7	1/9	Bowater	151	+7
10	Nil	—	—	British Car	17pm	......
50p	F.P.	25/7	5/9	British Steam Specialties	52	......
50	F.P.	21/7	29/8	Century Oils	55	+½
66	Nil	—	—	Chubb & Son	8½pm	+2
36	Nil	22/8	19/9	Clayton Dewandre	15pm	+1
45	F.P.	6/8	4/9	Comp Air	55½	+½
25	Nil	27/8	26/9	Crellon	1pm	−½
41	Nil	22/8	19/9	Crossley Building	½pm	−1
65	Nil	21/8	16/9	Davy Intl.	9pm	+2
72	F.P.	30/7	28/8	Dundee-Combex-Marx	106	......
25	F.P.	15/8	19/9	Empire Stores	65	......
65	F.P.	4/7	21/8	Ever Ready	83	......
10p	F.P.	4/8	5/9	Feedex	21	......
25p	F.P.	15/8	5/9	Hanson Tst.	92	+5
10p	F.P.	29/7	5/9	Headlam Sims & Coggins	11½	......
25	Nil	—	—	Howard Machinery	5½	+2
48	F.P.	15/8	16/9	Law Land	46½	−1½
103	F.P.	30/7	15/8	Legal & General	111	......
60	F.P.	18/7	21/8	London United Invs.	70	......
25p	F.P.	25/7	20/8	Macfarlane Group	60	......
128	F.P.	15/8	19/9	McCorquodale	157	......
210	F.P.	1/8	29/8	Metal Box	223	+9
32	Nil	20/8	2/10	Morgan Edwards	2pm	−1
25	Nil	—	—	Normand Elect.	1pm	......
105p	F.P.	21/7	29/8	Pegler Hattersley	113	......
$A1.50	F.P.	—	—	Poseidon	205	......
106	F.P.	11/8	5/9	Renold	115	+2
78	Nil	26/8	19/9	Royal Worcester	10pm	......
40p	Nil	26/8	23/9	Scottish & Newcastle Brewery	6½pm	+2
10	F.P.	28/7	12/9	Senior Engineering	14	......
27½	F.P.	10/7	21/8	Serck	31	−½
80p	F.P.	25/7	12/9	Siebe Gorman	125	......
95p	F.P.	25/7	5/9	Smiths Industries	94	......
170	F.P.	8/8	3/10	Tate & Lyle	187	+8
53	F.P.	15/8	12/9	Westland Aircraft	45	......
110	F.P.	5/8	29/8	Wheatsheaf Distribution & T.	128	+4

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ¶ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ‡ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ‡ Introduction. ‡ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Tidying-up bid activity evident in S. Africa

BY RICHARD ROLFE JOHANNESBURG, August 18.

WITH THE industrial market reviving in Johannesburg despite a problematical outlook for gold, a number of companies have embarked on mergers essentially aimed at tidying up controlling shareholdings or at consolidating portfolio investments. They could well be the precursors of others as controlling interests take advantage of what will probably turn out to be favourable prices. The Rand Daily Mail Industrial Index is now standing at 223.4 and is poised, in the view of many fund managers, for a rise to the 270 level.

Anglo American Industrial Corporation (AMIC), the main industrial holding company in the Anglo empire, is bidding 13 of its shares for every 100 in Stafford Mayer, the Durban-based group with interests in timber, sugar, paper and flooring, and 13 AMIC for every 100 shares in Stafford Mayer's 68.6 per cent. controlled subsidiary, S.A. Board Mills, except for the shares Stafford Mayer owns.

This values both Stafford Mayer and SABM at about 115c per share, but the bid has already run into flak from shareholders who say asset value is around 200c. Although SABM is in financial difficulties, the replacement value of its modern No. 6 board mill alone is said to be R20m. This compares with R17m. total value for both bids.

When the deal was initiated, AMIC held 23.7 per cent. of Stafford Mayer and 10.2 per cent. of SABM. It has since acquired additional shares from Stafford Mayer directors and family interests to raise its stake to 54.9 per cent. This ensures AMIC control and enables it to consolidate both companies. It is still bidding for the shares it does not now own, but may not vote at the meeting to approve the scheme of arrangement on August 26, which has increased the minority's chances of successful resistance to delisting.

In a further deal, Copper Producer Messina is bidding to acquire the minority it does not already own in Datsun, which manufactures the Datsun-Nissan range of cars in the republic. Holding 2.1m. out of the 3m. Datsun shares in issue, Messina is expected to pay about 300 cents cash for Datsun against the pre-suspension price of 250 cents. This will involve a total outlay of about R2.7m.

Finally, the Rembrandt drink and tobacco complex, Oude Meester group which currently holds 51 per cent. of SA Distilleries is to bid for the 49 per cent. it does not own, on terms which have yet to be finalised. These two Cape-based companies already have a joint interest in Oude Meester Cellars which is involved in proprietary wine and other products and the deal will rationalise all these interests within the Oude Meester group. A complication, however, could be SA Distilleries' U.K. incorporation which will require unwinding, even though the head office is in Stellenbosch.

Southern Sun bids for Tollman hotels

BY RICHARD ROLFE JOHANNESBURG, August 18.

SOUTHERN SUN Hotel, a subsidiary of SA Breweries, has made "a composite and indivisible" offer to the judicial managers of Tollman Hotels and Tourist Industries and certain of its subsidiaries, Southern Sun Chief Executive Mr. Kerzner told a Press conference.

He said that Southern Sun will bid R950,000 for Tollmans Airport hotel with an additional R100,000 undertaking to secure the leasing contracts with Isando Commercial Centre and Airport City. Southern Sun will offer Tollman Hotels' creditors R50,000 for the cancellation of the lease on the Durban hotel.

Mr. Kerzner said that Southern Sun, on behalf of the independent group MRC Distributors (Pty), will bid R252,000 for the Tollman Towers Hotel, R284,000 for the Diplomat Hotel and R150,000 for the Moulin Rouge Hotel.

The purchase price of the business of the Wilderness Hotel is R130,000.

The purchase price of the Court shares and the Wilderness immovable property will be satisfied by the production of acquittances discharging the Tollman group from R2.06m. liabilities in respect of the claim of Charterhouse Japhet and a further acquittance of R300,000 from the first mortgage in respect of its claim in that amount, leaving Charterhouse a substantial loser on the transactions.

Terukuni postpones talks

TOKYO, August 18.

TERUKUNI KAIUN, the financially troubled shipping company, said that cancellation negotiations scheduled to be held in Tokyo with several foreign *shipowners have been* postponed indefinitely.

The company declined to give a reason for the postponement.

Separately, Nichimen, a trading company, confirmed that it is registered as the borrower of Japan Export - Import Bank funds necessary for the construc*tion of a 260,000 deadweight-ton* ore/oil carrier under construction by Ishikawajima-Harima Heavy Industries (IHI) for de*livery to a Liberian affiliate of* Terukuni Kaiun. The ship is scheduled to be chartered back to Terukuni, which reportedly has a one-year agreement with *Mobil Oil to haul petroleum in* the ship.

Japanese press reports said that the oil haulage contract was fixed at rates so low that the *company would lose* Y2.2bn. a year on the vessel. Terukuni officials said the situation "isn't so simple," however, as the vessel can haul ore as well. They *declined to give any projected* operating results.

Nichimen, which claimed to be only the nominal borrower from the Ex-Im Bank, declined to disclose the cost of the tanker, as did IHI.

A group of commercial banks led by Long-Term Credit Bank of Japan Ltd. is still attempting to determine what might be necessary to save Terukuni Kaiun.

Japanese companies raise new equity

TOKYO, Aug. 18.

JAPAN LINE said it will issue new shares to increase its capital by 30 per cent. to Y34.5bn., for the containerisation of its Japan-New Zealand service.

The new shares will be allotted at par to shareholders as of September 30 at the rate of three new shares to 10 old, with payments to be completed by September 30.

Meanwhile, Nippon Steel is to increase its capital by 40 per *cent. to* Y322bn. through the issue of new shares, to raise funds for investment in plant and equipment.

The new shares will be allotted to shareholders as of September 30 at par at the rate of four new shares for ten old, with payment to be completed by December 26.

Reuter

HK Electric drops bid

HONG KONG, August 18.

HONG KONG Electric Co. said that its offer for Hong Kong and China Gas Co. will be allowed to lapse.

It said in *a statement that the* conditions attached to the offer, which closed at 1530 hours (local time) to-day, have not been fulfilled and it has therefore *been decided to allow the offer* to lapse. HK Gas opposed the offer and advised its shareholders to reject the bid.

Reuter

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The Hong Kong Securities Commission has published a Code on takeovers and mergers which provides guidelines for companies and their advisers who contemplate or become involved in takeovers or mergers.

Paternelle to hive off AGP

By Robert Mauthner

PARIS, August 18.

PATERNELLE, the large French *insurance group, is relinquishing* to Assurances du Groupe de Paris (AGP), the controlling stake of 80 per cent. which it has held in the latter company since the great take-over battles involving the Suez group and the Banque de l'Indochine in 1972.

It is offering its shareholders one AGP share for two Paternelle shares, respectively quoted at Frs.334 and Frs.141.90 on August 7, the last quotation before dealings were suspended. The bid will be open until October 8.

The internal reorganisation of the French insurance sector follows heavy financial losses last year by another wholly-owned Paternelle subsidiary, Société Auxiliaire Hypothécaire (SAH), which had to be propped up to the tune of Frs. 420m. by Paternelle to prevent it from going bankrupt. Half of these loans are considered to be a complete write-off, while interest on the other half will not be forthcoming for at least two years.

Faced with such a tremendous burden, Paternelle had no other choice but to cut its losses. Its shares offered in exchange of AGP shares will be cancelled and its capital reduced accordingly.

Those shareholders who accept the exchange will receive the AGP net dividend for 1974/75 expected to be at least Frs. 10.70 per share, compared with Frs. 13.64 for two Paternelle shares.

Created in 1843, La Paternelle which deals with a wide range of insurance activities, became a holding company in 1956. Following a hard-fought battle with the Compagnie Financière de Suez in 1972, La Paternelle gave up its control of the Banque de l'Indochine to its rival and *received in return* all the capital of the insurance subsidiaries grouped within AGP which it had shared up to that time with Suez.

Larger Israeli-U.S. link planned

By L. Daniel

TEL AVIV, Aug. 18.

AGREEMENT IN principle has been reached to bring together the Israel-based operations of Exchange National Bank of Chicago and the 15-branch Japhet Bank chain, which is controlled by Bank Hapoalim, Israel's second-largest banking group. The aim is to create a new, larger American Israeli banking entity with branches throughout Israel. Exchange National Bank of Chicago so far operates only in Tel Aviv and Jerusalem. Its chairman, Samuel Sax, told the FT to-night that he felt confident that the joint venture would maximise the opportunities for generating investment and trade between Israel and the U.S.

Amro expects major recovery in second half demand

BY MICHAEL VAN OS AMSTERDAM, August 18.

AMRO BANK to-day announced first-half net profits totalling Fls.63.1m. This was 16½ per cent. up on the profits of Fls.54.1m. achieved in the first half of last year which, it was pointed out, had been a "highly profitable period" for the Dutch banking sector.

The Amro results, however, included the half-year figures of Pierson, Heldring en Pierson. Excluding the PHP profits contribution—put at around Fls.7m.—Amro's net profit would have gone up by a "rather modest" 3 per cent., the Amro Board told a Press briefing here.

Amro said that the consolidated half-year figures showed that its assets were up by 15 per cent. They had risen by 18.5 per cent. including Eurocurrency business of which PHP had accounted for 9.3 per cent. This left an Amro asset growth (excluding PHP) of 9.2 per cent. in the first half which, it was pointed out, still exceeded the growth of the Dutch GNP. Amro's growth had come from all sectors of activity excluding advances, which had risen at a lower rate in the face of lower demand resulting from the economic downturn.

The bank—which unlike ABN (first-half profits up 44 per cent.) could not count on such a large contribution to earnings from foreign activities to help offset lower demands for credit locally—expects a "major recovery" of the demand for short- and long-term credit in the second half, and higher interest rates. Its Board said that for the whole of the year, the profit per Ordinary share was expected to be "above last year's level—despite an increase of around 15 per cent. in shares outstanding."

The new acquisition, *PHP*, had performed rather well in the first half and would continue to expand its activities on the lending side. Results had been up on expectation and this trend was expected to continue in the second half.

According to the Amro statement here to-day, total revenue *had reached Fls.673.5m. in the* first half, compared with Fls.537.1m. in the same half of last year. Total costs had gone up to Fls.526.9m. (Fls.410.5m.). This left a gross profit of Fls.146.6m. (Fls.126.6m.). The pre-tax profit was Fls.114.1m. (Fls.104.1m.).

Crediet profits expand

BY MICHAEL VAN OS AMSTERDAM, August 18.

NEDERLANDSCHE Credietbank (NCB), one of the major Dutch commercial banks, saw its net profits rise to Fls.4.9m. in the first half of this year. This was an increase of about 22 per cent. on the Fls.4m. profit achieved in *the same period for 1974.*

The *half-year* statement of the bank—in which Chase Manhattan Overseas Banking and Thyssen-Bornemisza have stakes of 30 per cent. and 25 per cent., respectively—showed that the gross profit had gone up to Fls.14.5m. (Fls.12.8m.) at 13 per cent., NCB's gross profit increase almost equalled the 15 per cent. increase just announced by Bank Mees n Hope whose net profit *increase was more modest* due to the sizeable addition to the reserve for general operating risks.

The Nederlandsche Credietbank *statement also* showed that first-half total revenue had gone up to Fls.67m. from Fls.56.2m. last year, while costs, including depreciation, had increased to Fls.52.5m. (Fls. 48.4m.). It had added Fls.5.7m. (Fls.5.3m.) to the provision for general operating risks, allocating Fls3.9m. (Fls.3.5m.) for taxation.

German builders look overseas to beat recession

BY GUY HAWTIN FRANKFURT, August 18.

COMPETITION for overseas construction contracts is likely to be considerably increased as a result of the recession in the West German building industry.

The annual reports of two leading West German building groups indicate that there has been an important increase in their overseas selling operations—a movement that it likely to increase in intensity irrespective of an upturn in domestic orders.

Hard on the heels of the Zueblin annual report—which showed that the large Stuttgart-based concern had made up lost domestic orders in the overseas market—comes news that the pattern has been repeated by Philipp Holzmann, West Germany's largest operator in the construction field.

Holzmann revealed that its order book currently stood at DM1.91bn., of which DM700m. came from overseas. Overseas operations, said the Holzmann chief executive, Herr Kurt Hecker, would certainly compensate for the cash decline in home orders.

In 1974, according to Herr Hecker, the concern's total output had increased by 5.7 per cent. in cash terms—from 1973's DM2.07bn. to DM2.19bn. Domestic production was back by 2.6 per cent. but overseas output have more than doubled. They had risen from DM141m. in 1973 to DM309m.

Herr Hecker said that there would be a further decline in domestic earnings this year but he confidently forecast a substantial increase in foreign business. He estimated that overseas operations, as a proportion of the concern's total production, would grow from 1974's 14 per cent. to 20 per cent.

Motivating them, in the short-term, is a heavy recession in the industry where last year overall production *fell* by 7 per cent. Particularly hard hit were the capital plant sector, where output was down 10 per cent. and the housing sector which was off 12 per cent. These were only partially offset by a small 4 per cent. rise in public works. Nor is there likely to be any improvement for some time—for instance the number of homes completed in 1974 declined from the previous year's 715,000 to 605,000. Herr Hecker echoed construction industry forecasts that this year completions would total only about 500,000 while at the same time 300,000 homes in the Federal Republic lay empty.

Holzmann, paid a reduced dividend of DM7 per DM50 nominal share for 1974 compared with DM8 per share the previous year. This followed a fall in net profits from 1973's DM14m. to DM8.1m.

Hiab-Foco profits growth

By William Dullforce

STOCKHOLM, August 18.

HIAB-FOCO, the *Swedish* producer of hydraulic vehicle cranes, showed profits growth of just under 10 per cent. to Kr.20.1m. (£2.2m.) on a 17 per cent. rise in sales to Kr.350m. (£39m.) during the financial year ended on March 31.

Demand for the company's *specialised products, in which it* is the world leader, weakened during the second half of the year, and currency fluctuations led to losses, notably in the *Japanese and American market*ing subsidiaries. The yield on invested capital dropped from 11.6 per cent. to 11.4 per cent.

The annual report anticipates poorer results for the year 1975-76 following the market deterioration and cost increases, chiefly from new wage agreements, which may not be offset by higher prices.

At the same time Hiab-Foco is planning to improve its product range by introducing a remote-control system for its truck loaders and is developing a surface conditioning industrial robot in collaboration with the Swedish electronics company, RETAB. Gross investments in plant and machinery were nearly doubled last year, reaching Kr.38m.

The Board recommends that the dividend to the shareholder, the promotion Investment Company, be raised by Kr.200,000 to Kr.1.8m., and that the share capital, already raised last year from Kr.16m. to Kr.20m., be increased by another Kr.4m. through a one-for-five bonus issue.

Engineering company suspended

FRANKFURT, August 18.

SHARES of Industrie-Werke Karlsruhe Augsburg were suspended here ahead of an *announcement from Commerz*bank, a Quandt family spokesman said.

The company, with DM88.64m. of basic capital, is over 50 per *cent owned by Quandt. Last* week, the engineering firm said it would have to introduce a restructuring programme as it had been particularly hit by the *general economic downturn.*

Current losses of several million marks are covered by reserves, he added.

Reuter

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	99	100
Ashland 8pc 1987	89	90
Austraswiss 8pc 1987	88½	89½
BFCE 9pc 1989	98	99
Borregaard 8½pc 1989	93	94
Carrier 8pc 1987	88¼	89¼
Conoco 8pc 1986	95½	96½
Consd. Foods 7¾pc 1991	84	85
Cutler Hammer 8pc 1987	90½	91½
EIB 9¾pc 1985	100¾	101¾
Esso 8pc 1986 Nov.	98	99
General Cable 8½pc 1987	88	89
General Motors 8½pc 1986	101½	102½
GTE 8½pc 1986	97	98
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 8pc 1988	88½	89½
Prov. of Quebec 7½pc 1988	86	87
Quebec Hydro 8½pc 1989	95	96
Queensland 8½pc 1987	87	88
Scanraff 8½pc 1988	96	97
Shell 8pc 1986	97	98
Stand. Oil (Inc.) 8½pc 1998	99	100
Tenneco 7½pc 1987	87	88
Transocean 8pc 1986	97	98
TRW 8½pc 1986	97	98
Utah 8pc 1987	89	90
Volvo 9½pc 1985	99	100
NOTES		
Air France 8½pc 1982	100½	101½
Aust. Ind. Dev. 10¾pc 1981	102	103
Barclays 7½pc 1978	93½	97½
Cie Ntl. du Rhone 10pc '82	102	103
Du Pont 7¾pc 1978	100	101
Esso 7¾pc 1978	99	100
General Motors 8½pc 1978	100½	101½
Marubeni 9¾pc 1982	99	100
Nippon Fudosan 10¾pc 1981	101½	102½
Skand. Enskilda 10½pc 1981	102½	103½
Tenneco 7½pc 1979	97	98
Tokyo Curacao 10¼pc 1981	101½	102½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¼pc '87	82	84
Ashland 5pc 1988	75	77
Beatrice Foods 4¼pc 1992	90	92
Beatrice Foods 4½pc 1992	90	92
Borden 5pc 1992	87	89
Broadway Hale 4½pc 1987	73	75
Canon Camera 7½pc 1989	85	87
Carnation 4pc 1987	83	85
Chevron 5pc 1988	95	97
Dart 4½pc 1987	83	85
Eastman Kodak 4½pc 1988	111	113
Economic Labs. 4½pc 1987	76	78
Eidai 7½pc 1989	85	87
Ford 6pc 1986	84	86
Ford 5pc 1988	72	74
Fuji 6½pc 1985	100	
General Electric 4½pc 1987	83	85
Gillette 4½pc 1987	71	73
Gould 5pc 1987	76	78
Halliburton 4¼pc 1987	124	126
Harris 5pc 1992	65	67
Hitachi 6½pc 1984	98	103
Honeywell 6pc 1986	75	77
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	104½	106
J. Ray McDermott 4½pc '87	136	138
Mitsui 8½pc 1989	133	
J. P. Morgan 4½pc 1987	108	110
Motorola 4½pc 1983	110	113
Owens Illinois 4½pc 1987	87	89
J. C. Penney 4½pc 1987	74	76
Pioneer 6½pc 1989	125	
Rand Selection 6½pc 1986	94	89
Rank 4½pc 1993	40	42
Revlon 4½pc 1987	92	94
Sperry Rand 4¼pc 1987	90	92
Squibb 4¼pc 1987	79	81
Toshiba 6½pc 1990	102	103½
Union Carbide 4½pc 1982	107	109
Warner Lambert 4½pc 1987	87	89
Warner Lambert 4½pc 1988	76	78
Xerox 5pc 1988	72	74
Source: Kidder, Peabody Securities.		

German bank loses licence

BERLIN, August 18.

THE BANKING SUPERVISORY agency has withdrawn the banking licence of the Munich based Handelsfinanz-Bank whose basic capital is DM3m.

The agency said it ordered the bank to wind up its affairs after a special audit showed incorrect book keeping and other management irregularities.

The bank's activities were primarily in the property finance sector. It had no powers to accept savings or sight deposits. Its balance sheet total was DM46m.

Handelsfinanz-Bank was not apparently linked to any audit or *deposit security scheme run* by the major banking associations.

No comment was immediately available from Handelsfinanz-Bank.

Reuter

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further early gains erased: off 2.89

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 18.

EARLY GAINS were mostly erased on Wall Street to-day, when investors continued wary about rising U.S. interest rates and the threat of inflation.

After rising another 3.37 to 829.01, the Dow Jones Industrial Average reacted to 822.75, for a net loss of 2.89. The NYSE All Common Index dipped 8 cents to $45.94, after gaining 20 cents to $46.22, while declines led advances by 655-to-615. Trading remained slow at 10.81m. shares, although up 200,000 shares on the day.

Investors were also put off by the slow economic recovery. Federal Reserve figure released after Friday's Stock Market close showed that Industrial Production in July gained at a 0.5 per cent. rate, the same as in June.

The Stock Market showed no apparent reaction to a Government report of a 14 per cent. rise in U.S. Housing starts in July.

Also in the background was concern thta New York City will have difficulty meeting its financial obligations next month.

National Semiconductor fell $2¼ to $35¾.

Moore McCormack were off $3¼ to $36½, CPS International $1¾ to $42¾, J. C. Penney $2 to $42¾, Northern Natural Gas $3¼ to $61½, International Paper $1¾ to $58½, and Atlantic Richfield $1½ to $186½.

Parker Pen dropped $2¼ to $13¾ on the acquisition of Manpower, up $1⅜ to $19¾, for $28.2m., or $15.30 a share.

Cone Mills rose $1⅜ to $20⅜ amid a bullish earnings forecast.

Beckman Instruments gained $1¾ to $31¾ on sharply higher quarterly earnings.

Kennecott Copper regained $1¾ to $32¾ after falling $1⅝ on Friday, when it sliced the quarterl ydividend in half to 25 cents a share.

Avery Products, added $1½ at $23¾.

U.S. Steel fell $1 to $63¾ while Motors eased.

Burlington Northern advanced $1¾ to $31—it expects to return to profitability in the second half and might consider resumption of the recently omitted regular 42½ cents quarterly dividend.

Inexco Oil tacked on $¾ at $7⅞ in active trading—it successfully completed a third well on a prospect in Louisiana.

The American SE Market Value Index finished 0.04 off at $6.12, with declines outnumbering advances by 289 to 233.

Carnation, the most active issue, were down $¾ to $72¾ on 97,100 shares.

Also active were Milton Roy, down $1 to $12¾, Syntex, off $¼ to $31¾ and ICM Realty off $¼ to $9¼.

International Systems and controls fell $1 to $26⅞ after a unit was assessed $6.6m. for back taxes.

OTHER MARKETS

Canada easier

Canadian stock markets also turned easier in light trading yesterday.

The Industrial Share Index shed 0.16 to 186.89, Base Metals 0.40 to 77.28, Western Oils 0.71 to 101.54, Banks 0.47 to 269.05 and Papers 0.34 to 110.48. *But Golds* rose 0.27 to 358.11 and Utilities put on 0.11 to 128.47.

Northern and Central Gas Preferred "E" lost $1 to $18 and Western Supplies "A" fell $1 to $31. Northern Electric declined $¾ to $27¾ after parent Bell Canada said it was considering a secondary offering.

Oils gained most attention. Shell Canada rose $¾ to $17 on a rebate on home heating oil. Home Oil "A" were up $¾ to $27½ on higher earnings.

Francana Oil and Gas increased $½ to $10, and Dominion Lime added $¾ at $9¼.

PARIS—Generally mixed in light trading. Not one sector either improved or declined significantly.

Major gainers included Credit *National, Sias, Citroen, Auxiliaire* d'Entreprises, Generale de Fonderie, Saint Gobain and Peugeot.

Among notable lower shares were Prenatal, Applications de Gaz and Radiotechnique.

Americans did well in the Foreign sector, especially Du Pont, Eastman Kodak, General Motors, Ford and IBM.

Germans were easier, but Bayer improved.

International Oils mostly finished stronger, notably *Imperial, Mobil, Petrofina and* Royal Dutch.

Gold Mines ended mixed, with Free State, Goldfields and Western Deep each higher, but St. Helena and Union Corporation each slipped back.

Coppers ended weaker.

AMSTERDAM — Generally weaker in dull trading.

Akzo shed Fl.0.4 to Fl.36—a new low for the year. The company remained silent on last week's Press reports of a large 1975 loss, but plans to publish its second quarter results to-day.

Royal Dutch were up Fl.1.1 at 96.80 but Philips eased Fl.0.4 to 24.60.

Bankings were mostly down. Algemene Bank Nederland lost Fl.2 to 328.50, but Amsterdam Rotterdam gained Fl.0.30 to 76.30.

Local Industrials were generally lower.

BRUSSELS—Generally higher.

Non-ferrous metals and oils gained ground, with Vieille Montagne up Frs.70 to 4,400 and Petrofina up Frs.30 to 5,380.

Steels and Chemicals were lower, *while Electricities and* Holdings were mixed.

Foreign shares improved with Zaire KDLA rising Frs.10 to 157, Vaal Reefs put on Frs. 30 to 1,635, U.S. Boeing gained Frs. 50 to 1,048, ITT rose Frs.4 to 850, IBM were up Frs.100 to 7,340, General Motors stiffened Frs. 30 to 2,035, *Union Carbide* firmed Frs. 95 to 2,415 and Westinghouse hardened Frs. 4 to 628.

GERMANY—Shares closed resistant after very thin trading and an uncertain opening.

Leading Chemicals and Electricals were well maintained while, in Steels, Kloecknerwerke gained DM3.50 to 102.

In Engineerings, Demag shed DM1.50 to 165.5 and MAN fell DM3.5 to 175.5.

Among Motors, VW gained DM1 to 113, but Daimler gave way DM1.70 to 313 and BMW were off DM0.50 at 226.

On the Bond Market, Public *issues were steady in very quiet* trading after the Regulating Banks took up a minimal amount of bonds. Mark Foreign Loans were well maintained.

SWITZERLAND—Mixed in dull trading.

Juvena fell Frs.30 to Frs.420 in active trading.

Among other active issues, Swiss Reinsurance Bearer gave way Frs.125 to Frs.4,275.

In Pharmaceuticals, Sandoz Bearer slipped Frs.125 to Frs.4,250.

Among Banks, Swiss Bank Corporation were off Frs.2 at Frs.425 and Credit Bank down Frs.5 at Frs.2,850.

MILAN—Mixed after a four-day shutdown for the traditional mid-August holidays. Trading was extremely slow.

TOKYO—Modest gains in thin trading with interest centred on Blue Chips and Constructions. Volume 90m. shares.

Constructions and Dredgings *met demand on anticipation of* increased Government spending on Public Works.

Toa Harbour Works rose Y16 to 263, Sekisui Prefab Homes put on Y60 to 1,570, Toda Construction moved up Y13 to 467, and Aoki Construction advanced Y14 to 289.

Shippings, Precision Instruments, Retailers, Foodstuffs and Light Electricals were also generally favoured.

HONG KONG—Mixed in slightly increased trading.

Hutchison were up 2 cents to $HK1.64, Wheelock "A" 5 cents to 3.475, Jardine 30 cents to 21.50, New World 5 cents to 1.19 and Hong Kong Dock 10 cents to 5.50.

But Hong Kong Gas were down 50 cents to $HK15.50, China Light 20 cents to 14.20 and Hong Kong Telephone 20 cents to 16.00.

JOHANNESBURG—Gold shares were firmer following London demand. Most trading centred around "small" and "medium-priced" shares, while "heavyweights" were mixed in light trading.

Platinums were easier in quiet trading, while Financial Minings were mixed.

AUSTRALIA—Markets firmed *on buying at the start of Budget* week, with Energy stocks particularly in demand.

Pancontinental, however, finished 4 cents off at $A6.30, after $A6.50. Peko-Wallsend jumped to $A3.30 and Queensland Mines put on 7 cents to $A1.

MIM firmed 2 cents to $2.08 after raising its copper price another 20 cents to $A980.

BHP added 8 cents at $A7.28.

Sugars featured prominently, with Pioneer gaining 10 cents to $A4.30, Bundaberg 15 cents to $A4.75 and CSR 8 cents to $A4.06.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Aug. 18	66.07	159.60	822.75	78.09	10,210
15	66.18	166.23	825.64	77.68	10,610
14	66.27	156.67	817.04	77.26	12,460
13	66.26	156.27	820.66	77.34	12,000
12	63.28	157.45	826.54	78.52	14,510
11	63.26	156.59	825.76	78.22	12,350
8	66.25	156.63	817.74	78.67	11,660
7	66.28	156.63	816.79	78.64	12,380
6	66.24	156.71	813.87	78.46	16,250
5	66.31	156.79	810.16	78.57	15,470
4	66.57	157.88	818.05	79.05	12,620
1	66.64	160.40	826.50	79.65	13,530
July 31	66.61	161.83	831.61	79.60	14,540
30	66.82	161.26	831.66	79.54	16,160
29	66.96	169.29	824.86	74.60	19,000
28	66.63	160.23	827.85	80.11	14,850
25	66.81	161.22	834.09	80.01	16,110
1975 High	69.92 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 15	Aug. 8	Aug. 16 1974
4.67	4.75	5.15

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	Low	Aug 18	Aug 15	Aug 14	Aug 13	Aug 12
51.24 (15/7)	37.06 (2/1)	45.94	46.02	45.64	45.88	46.48

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,746	615	655	476

	Aug 18	Aug 15	Aug 14	Aug 13	Aug 12
New Highs	7	7	5	11	10
" Lows	18	16	23	17	8

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	Low	Aug 18	Aug 15	Aug 14	Aug 13	Aug 12
96.80 (15/7)	62.20 (2/1)	86.12	86.16	85.65	86.05	86.49
Volume (000's)		1,220	1,520	1,510	1,390	1,470

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 18	96.77	86.20
15	96.98	86.36
14	96.11	85.60
13	96.40	85.97
12	97.86	87.12
11	97.22	86.55
8	96.56	86.02
7	96.87	86.30
6	96.79	86.25
1975 High	107.40 (15/7)	95.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 415 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 13 1975	Aug. 6 1975	Aug. 22 1974
Ind. Ord. yield pc	3.95	3.94	4.67
Ind. Ord. p/e ratio	10.56	10.53	11.78
Long-term Gov. Bds. per cent.	5.56	5.68	6.78

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Mac Millan	206,100	4¾	—
Nat. Semiconductor	121,000	35¾	−2¼
Westinghouse Elec.	114,200	15¾	+¾
Hercules	109,200	30¾	−¼
Philip Morris	109,000	44¾	−¾
Occidental Petrolm.	103,700	18¾	+¼
U.S. Steel	102,400	63¾	−1
Inexco Oil	917,000	7⅞	+¾
Texaco	99,800	24½	+½
Polaroid	86,500	34	−1½

TORONTO

INDUSTRIAL INDEX

Aug. 18	Aug. 15	1975 High	1975 Low
186.89	187.05	196.50 (15/7)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Aug. 18	Aug. 15	1975 High	1975 Low
194.91	194.46	205.61 (15/7)	159.95 (2/1)

COMBINED INDEX

Aug. 15	Aug. 15	1975 High	1975 Low
189.20	188.98	199.90 (15/7)	153.02 (2/1)

JOHANNESBURG

	Aug. 19	Aug. 15	1975 High	1975 Low
Industrials	219.2	221.2	238.9 (16/7)	183.2 (23/1)
Golds	285.3	283.2	379.1 (2/1)	283.2 (15/8)

(1958=100). Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 14	Aug. 7	July 31
On Dividends	7.67	7.51	7.63
On Earnings	14.12	14.05	14.15

SYDNEY ALL ORD. INDEX

Aug. 18	Aug. 15	High 1975	Low 1975
363.01	361.84	383.66 (4/6)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 18	Aug. 15	High 1975	Low 1975
312.10	311.52	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ♦

Aug. 18	Aug. 15	High 1975	Low 1975
297.84	296.69	341.57 (6/6)	160.42 (9/1)

SINGAPORE INDEX §

Aug. 18	Aug. 15	High 1975	Low 1975
216.51	214.98	268.69 (11/6)	153.26 (8/1)

EUROPE

	Aug. 18	Previous	1975 High	1975 Low
Belg'm (a)	108.52	108.29	111.81 (10/6)	89.07 (2/1)
Denm'k (b)	95.14	93.09	98.36 (14/8)	73.06 (13/1)
France (d)	67.8	67.5	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	704.3	705.0	736.1 (15/4)	573.5 (3/1)
Holland (f)	98.1	98.9	107.6 (6/5)	83.3 (2/1)
Italy (g)	81.63	81.63	102.86 (21/2)	81.55 (4/8)
Spain (h)	(c)	98.45	110.96 (23/4)	95.50 (4/7)
Sweden (k)	359.90	358.86	391.44 (1/8)	310.66 (9/1)
Switz'rl'd (m)	256.9	256.9	285.1 (6/5)	206.5 (2/1)

Indices and base dates (all base values 100)—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ♦ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Dollar easier

The U.S. dollar was generally firmer in early dealings in the foreign exchange market yesterday, but tended to ease later in fairly quiet trading. Its initial advance may have been due to the rise in U.S. industrial production in June and the report of the Organisation for Economic Co-operation and Development predicting a recovery in the U.S. economy.

Sterling remained steady. It opened at $2.1060-$2.1070, and fell to $2.1050-$2.1060 early on, but later rose to $2.1090-$2.1100, before closing at $2.1080-$2.1090, unchanged from Friday.

Sterling's trade-weighted average depreciation against ten *major currencies since the Washington* Currency Agreement (as calculated by the Bank of England) was unchanged at 27.8 per cent., and was also at that level at noon and in early dealings. The dollar's trade-weighted average depreciation against 14 units, since the Washington Agreement, as calculated by Morgan Guaranty of New York, on noon rates, widened to 2.41 per cent., *from 2.38 per cent. on* Friday. *Sterling's depreciation on* a similar basis also widened to 33.64 per cent., from 33.59 per cent.

Gold closed $¾ higher at $161¾-$162½. The krugerrand for domestic delivery ended at $169¾-171¼ (£80½-81¼), against the *previous* $169¼-170¼ (£80¼-81).

EXCHANGE CROSS-RATES

Aug. 18	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.5675-90	58.83-91	6.71-72	5.41-42	97.30-41	96.35-48
N. York*	38.97-99	—	22.90-93	2.6135-75	2.1115-1125	37.94-96	37.56-59
Paris	169.65-95	4.3667-3735	—	11.4125-375	9.1985-2230	165.20-60	165.85-4.25
Brussels	14.83-93	38.28-31	8.74-79	—	30.52-65	14.44-53	14.32-41
London	5.41-42	2.108-109	9.20-21	30.45-80.65	—	5.66½-67½	5.61½-62½
Am'erdam	102.655-705	2.6412-37	60.435-485	6.9015-65	5.5675-725	—	99.145-195
Zurich	103.62-74	2.6635-50	60.98-61.05	6.9575-675	5.6135-85	100.89-1.02	—

U.S. $ in Montreal. U.S.$=103.90-92 Canadian cents.

Canadian $ in New York. $C1=96.19-21 U.S. cents. U.S. $ in Milan 668.45.

Sterling in Milan 1408.40.

EURO-CURRENCY INTEREST RATES*

Aug. 18 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	8½-9	5¾-6¼	5¾-6¾	1¼-1½	⅛-¼	—
7 days notice	8½-9	5⅞-6⅜	6½-7⅛	1¼-1½	¼-⅜	¼-⅝
Month	10-10⅜	6⅛-6⅝	7 7/16-7 13/16	2¼-2½	2-2⅛	2 1/16-2 7/16
Three month	10¾-11⅛	7-7½	8¼-8⅞	3⅜-3⅝	3 1/16-3⅜	3 1/16-3¼
Six months	12-12⅜	8-8½	8⅞-9	5⅛-5⅜	4¼-4⅜	4⅜-4⅝
One year	12½-12⅞	8½-8	9⅛-9⅜	6⅛-6¾	5⅜-5½	5⅜-5⅝

Euro-French deposit rate short-term 6½-7 per cent.; seven days' notice 6½-7 per cent.; one-month 7½-7⅞ per cent.; three months 8½-8⅝ per cent.; six months 9½-9¾ per cent.; one year 10-10⅜ per cent.

Longer-term Eurodollar deposits: two years 8¾-9 per cent.; three years 9¼-9½ per cent.; four years 9½-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6 7/16-6¼ per cent.; three months 7 3/16-7 1/16 per cent.; six months 8½-8 per cent.; one year 8¾-8½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days notice for guilders and Swiss francs.

GOLD MARKET

	Aug. 18 1975	Aug. 15 1975
Gold Bullion (a fine ounce)		
Close	$161¾-162½	$161½-16[illegible]
Opening	$162-163	$161-162
Morning fix'g	$162.25 (£77.023)	$161.6 (£76.577)
Afternoon fix'g	$161.7 (£76.671)	$162.1 (£76.861)
Gold coins (domestically)		
Krugerrand	$169¾-171¼ (£80½-81¼)	$169¼-170¼ (£80¼-81)
New sov'r'gns	$52¼-53¾ (£24¾-25½)	$52¼-53¼ (£24¾-25¼)
Old sov're'gns	$51¼-52¾ (£24¼-25)	$51¼-52¼ (£24¼-24¾)
Gold coins (int'rn't'n'aly)		
Krugerrand	$166½-168½ (£79-80)	$166-168 (£78¾-79¾)
New sov'r'gns	$49½-50¼ (£23½-24)	$49¼-50 (£23¼-23¾)
Old Sov're'gns	$49½-50¼ (£23½-24)	$49¼-50 (£23¼-23¾)
$ 20 Eagles	$250-253	$249-252
$ 10 Eagles	$117-120	$116-119
$ 5 Eagles	$84-87	$83-86

FOREIGN EXCHANGES

Aug. 18 1975	Bank Rates %	Market Rates: Day's Spread	Close
New York	6	2.1050-2.1100	2.1080-2.10[illegible]
Montreal	8¼	2.1870-2.1955	2.1915-2.19[illegible]
Amsterdam	6	5.65-5.69	5.66½-5.67½
Brussels	†6½	80.45-80.80	80.45-80.[illegible]
Copenh'gen	7½	12.54½-12.56½	12.54½-12.5[illegible]
Frankfurt	4	5.41-5.44	5.41-5.42
Lisbon	6½	55.60-56.10	55.65-55.[illegible]
Madrid	†7	122.50-125.00	122.70-122.9[illegible]
Milan	7	1,405-1,410	1,407½-1,40[illegible]
Oslo	6½	11.50½-11.52½	11.51-11.5[illegible]
Paris	8½	9.20-9.24	9.20-9.21
Stockholm	7	9.06-9.09	9.06-9.07
Tokyo	7½	625-632	627-628
Vienna	6	38.10-38.80	38.10-38.[illegible]
Zurich	4½	5.61-5.64	5.61½-5.62

†Basic discount. ‡ Rates given are for convertible francs; closing financial francs 83.35-83.55.

OTHER MARKETS

		¶Notes Rates	
Argentina	♦70.65-70.77	Argentina	170-20[illegible]
Australia	1.6585-1.6647	Austria	37½-38[illegible]
Brazil	17.32-17.52	Belgium	82-84
Finland	7.95-7.97	Brazil	21-25
Greece	68.844-70.542	Canada	2.18-2.1[illegible]
H'ngKong	10.655-10.875	Denmark	12.42-12[illegible]
Iran	142.0-144.0	France	9.10-9.[illegible]
Kuwait	0.605-0.615	Germany	5.35-5.[illegible]
Luxemb'g	80.45-80.65	Greece	67½-69[illegible]
Malaysia	5.310-5.326	Italy	1460-151[illegible]
N.Zealand	1.9665-1.9845	Japan	620-6[illegible]
SaudiArba	7.30-7.45	Nethr'l'ds	5.50-5.[illegible]
Singapore	5.238-5.255	Norway	11.35-11.5[illegible]
S.Africa	1.4965-1.5109	Portugal	54½-5[illegible]
U.S.—		Spain	120-128
Canada		Sw'tz'land	5.55-5.[illegible]
C$1=		U.S.	2.09-2.[illegible]
U.S. cents	96.15-96.18	Yugosl'ia	35½-3[illegible]

¶ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ♦ Rate given is the commercial rate: financial rate 89.63-89.53.

FORWARD RATES

—	One month	Three months
New York	0.75-0.65 c.pm	1.85-1.75 c.pm
Montreal	0.50-0.40 c.pm	1.35-1.25 c.pm
Amst'dam	4-3 c.pm	10¼-9¼ c.pm
Brussels	40-20 c.pm	85-65 c.pm
Cop'n'hg'n	8¼-6¼ ore pm	15½-12½ ore pm
Frankfurt	4¼-3¼ pf. pm	10½-9½ pf pm
Lisbon	40c.pm-30 c. dis	5c.pm-80c.dis
Milan	2-5 lire dis	9-11 lire dis
Oslo	5-3 ore pm	11½-9½ ore pm
Paris	2½-1½ c.pm	6-4 c.pm
Stockh'lm	2¾-¾ ore pm	7-5 ore pm
Vienna	40 gro pm par	70-40 gro pm
Zurich	4¼-3¼ c.pm	11-10 c. pm

Six-month forward U.S. dollar 3.30-3.34c pm. and 12-month 7.20-7.10c. pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—94½% (97½%).

NEW YORK

Stock	Aug. 18	Aug. 15
Addressograph	6⅛	6⅛
Aetna Life & Cas.	22	22¼
[illegible]	[illegible]	[illegible]

Stock	Aug. 18	Aug. 15
Corning Glass	42	42¾
CPC Int'nation'l	42¾	44⅜
Crane	42⅛	43¼
Crocker Nat.C.P.	22⅜	21⅞
[illegible]	[illegible]	[illegible]

Stock	Aug. 18	Aug. 15
Johns Manville	21⅛	21¾
Johnson Johnson	84	84¼
Johnson Control	12¼	12½
Joy Manufactur'g	74¾	[illegible]
[illegible]	[illegible]	[illegible]

Stock	Aug. 18	Aug. 15
Rapid America	6¾	6
Raytheon	48	47¾
RCA	17½	17½
[illegible]	[illegible]	[illegible]

Stock	Aug. 18	Aug. 15
Zenith Radio	23¾	23¾
Chile 3% 1993	85	85
Peru 3% 1993	†95	†95
U.S.Treas.5¾% 1974	†100.05	†100.05
[illegible]	[illegible]	†85.24
[illegible]	[illegible]	†82.24
[illegible]	[illegible]	6.37%

CANADA

Stock	Aug. 18	Aug. 15
[illegible]	[illegible]	4.30
[illegible]	[illegible]	10⅜
[illegible]	[illegible]	[illegible]

GERMANY ♦

Aug. 18	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	78.6	+0.6	—	—
Allianz Versich.	472	+12	s17	1.7
B.M.W.	226	−0.5	14	3.1
BASF	141		17	6.0
Bayer	117.5	+0.2	17	6.8
Bayer Hypo	314	−0.5	18	2.9
Bayer Vereinsbk.	340	−2	18	2.5
Commerzbank	206.5		17	4.2
Contl. Gummi	78.7	+0.6	—	—
Daimler	313	−1.7	16	2.6
Degussa	253.5	−3.5	18	3.9
Demag	165.5	−1.5	—	—
DeutscheBank	311.6	+0.1	20	3.2
Dresdner	241.5	−2.1	18	3.7
Dyckerhoff Zem't.	197	−1	10	2.5
Gelsenberg	71.6		8	5.6
Gutehoffnung	190	+0.5	14	3.7
Hapag Lloyd	117 xd	−1	s12	5.1
Harpener (DM100)	158	+1	8	5.1
Hoechst	133.5	+0.4	18	6.8
Hoesch	54	+0.1	10	0.9
I. G. Farbeninhtg.	3.90		—	—
Kali Salz (DM50)	119	+5	5	2.1
Karstadt	427	+3	20	2.3
Kaufhof	258	−2	20	3.8
Kloeckner (DM100)	102	+3.5	6	6.0
Klock Humbolt	167	+1	6	1.8
Kr'ssMaffei (D100)	560		15.9	2.8
Krupp Prf DM100	141	−4	10	6.7
Kundenkredit Bk	298	−5	18	3.1
Linde	217.5	−1	16	3.7
LowenbrauDM100	1,900	+20	20	1.0
Lufthansa	56	+1	4	3.6
M.A.N.	175.5	−3.5	12	3.3
M'esmann DM100	271.5		14	5.2
Metallge'schaft	232	+2	12	2.6
Munch. Ruckvers	565	+3	18	1.5
Neckermann	102.5	+0.8	6	2.9
Preussag DM 100	127.5		7	5.4
Rheinstahl DM50	62	−0.1	y5	3.9
Rhein WestElect.	133.5	−0.6	16	6.3
Schering	400	−1	20	2.5
Siemens	271.8	+0.3	16	2.6
Sudzucker	250		18	3.6
Thyssen	86.2	−0.1	14	7.9
Verein & West.Bk	332	+2	18	2.7
Zeiss Ikon	155.5		10	6.4

AMSTERDAM

Aug. 18	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	105.2	+1.2	18	3.5
Akzo (Fl.20)	36	−0.4	20	11.0
Algem Bnk (Fl100)	328.5	−2	30	6.6
AMAS NV (Fl.10)	12.1	+0.1	10	8.7
AMEV (Fl.20)	57.7	−0.5	30	10.4
AmroBank (Fl.20)	76.3	+0.3	20	5.3
VanBerkels (Fl.50)	119		15	6.3
Bijenkorf (Fl.20)	85	+1	21	5.0
BokaWestm.Fl.10	113.9	−1	52	4.5
Buhrm-Tetterode	63.2	−0.5	23	7.4
Elsevier (Fl.20)	470	−2	24	1.0
EnnlaN.V.Bearer	118.9	−0.1	—	—
EuroComTst.Fl.10	66	+1	30.4	6.5
Gist BrocadeFl.10	60	−0.7	23	3.8
Heineken (Fl.25)	163.5	−2	14	2.2
Helms Hlds.(Fl.10	38		18	4.7
Holland Fund	698	−3	15	2.1
Hoogovens (Fl.20)	52.4	+0.2	26	10.0
H'nteDouglasFls	19	+0.5	11	5.9
I.H.C. Holland	39.6	−1.4	5	1.2
K.L.M. (Fl.100)	55.6	−1.2	—	—
Int.Muller (Fl.20)	50.1	−0.2	24	9.5
Naarden (Fl.10)	57.3		20	3.5
Nat. Ned Ins'ance	83.5	−0.3	35.2	4.2
NedCredBk (Fl.20)	44.8	−0.5	16	7.0
NedMidBk (Fl150)	145.5	−0.5	15	5.1
Neto (Fl.60)	72.2	+0.2	10	6.9
Nijverdal T. Cate	63	−2	6	10.7
OCE (Fl.20)	176.5	−0.5	28	3.2
Van Ommeren	267.5	+1	20	7.6
Pakhoed (Fl.20)	149	−2	s21½	2.5
Philips (Fl.10)	24.6	−0.4	18	7.1
RijnSchVerFl.100	205	+0.9	18	8.8
Robeco (Fl.50)	183	+1	26.2	7.0
Rolinco (Fl.50)	130.2	+1.4	4	1.5
Rorento (Fl.50)	111.3	+0.1	10	9.0
RoyalDutch (Fl20)	96.8	+1.1	40	8.4
Slavenburg's Bnk	273	+2	17	6.5
Tokyo Pac Hlgs$1	FL.76.5	−1	$0.5	1.7
Unilever (Fl.20)	106.4	−0.1	36½	6.8
VMF	120	−0.8	14.5	7.5

TOKYO ¶

Aug. 18	*Price Yen	+ or —	Div. %	Yld. %
Asahi Glass	235		16	3.4
Canon	174	+4	12	3.4
Dai Nippon Print	458	−2	16	1.7
Fuji Photo Film	315	+2	15	2.4
Hitachi	152	−1	12	3.9
Honda Motors	519		18	1.7
C. Itoh	372	−3	12	1.6
Japan Airlines	1600		8	2.5
Kansai Elect. Pw.	675		8	5.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities Tokyo

PARIS

Aug. 18	Price Frs.	+ or —	Div. Frs.	Yld %
Air Liquide	365	+0.1	16.5	4.5
Aquitaine	479.5	−0.5	22.5	4.7
Beghin	123		11.05	9.0
B.S.N. Gervais	519	−9	37.8	7.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Aug. 18	Price Lire	+ or —	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Aug. 18	Price Kr.	+ or —	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ♦

Aug. 18	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND ♦

Aug. 18	Price Frs.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Aug. 18	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 18	Aust. $	+ or —
Acrow Australia	†0.60	
Adelaide Brig'ton Cem't 50c	†0.77	−0.01
Allied Mnfg.Trdg. Indus $1	†1.40	
Ampol Exploration	†0.62	
Ampol Petroleum	†0.41	
Assoc. Minerals	‡2.60	
Assoc. Pulp Paper $1	†0.78	−0.01
[illegible]	[illegible]	[illegible]

BRUSSELS

Aug. 18	Price Frs.	+ or —	Div. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Aug. 18	Price %	+ or —	Div. %	Yld. %
Creditanstalt	380		10	2.[illegible]
Perlmooser	343		12	3.[illegible]
Selecta	750		48	6.4
Semperit	166	−3	—	—
Steyr Daimler	147	+2	9	6.[illegible]
Veit Magnesit	381	+1	22	5.[illegible]

JOHANNESBURG

MINES

Aug. 18	Rand	+ or —
[illegible]	[illegible]	[illegible]

INDUSTRIALS

Aug. 18	Rand	+ or —
[illegible]	[illegible]	[illegible]

SPAIN ♥

August 14	Per cent.	+ or —
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices [illegible]

FARMING AND RAW MATERIALS

Outlook for platinum good

By John Wicks

ZURICH, August 18.

PROSPECTS FOR an increased demand for platinum at an enhanced price seem bright, according to an article by Mr. D. R. Dumenil, managing director of Johnson, Matthey, in the monthly "Bulletin" of the Swiss Credit Bank. The outlook for new and continued uses of the metal is good, says Mr. Dumenil, while the present depressed price is probably too low to encourage producers to expand output.

Demand for platinum jewellery in Japan is unabated, while a sales promotion campaign in the U.S. has been helped by gold being close to its highest price ever—increasing the use of platinum in medium-priced fine jewellery.

In technical uses, it is in the *catalyst area where the role of* platinum seems most likely to grow, use as electrode material in fuel cells probably providing the largest potential. Despite *disappointing figures* for U.S. car production, the introduction of exhaust catalysts there also represented a new outlet for the metal, expanding the market for new platinum by 10 per cent. in the first year.

Platinum, says Mr. Dumenil, will almost certainly be used as a *catalyst to deal* with car pollution in other countries—especially Japan and possibly in Europe.

Copper stocks up more than expected

By John Edwards, Commodities Editor

A BIGGER than expected rise in copper stocks took the London Metal Exchange *by surprise yesterday.* But prices remained firm on speculative buying interest.

Prices reached a ten-month high in the morning before closing marginally up on the day. The stocks rise of 10,475 tonnes, raising the total to 363,800 tonnes, was well above last *week's predictions, but is having* little impact on market sentiment at present.

A rise of 60 tonnes in tin stocks, to a total of 5,455 tonnes, was more than expected, but again had little effect except for encouraging the widening of the cash price discount to the three months quotation.

Lead stocks, as expected, increased by 2,075, to 65,800 tonnes, while zinc stocks declined by 225, to 23,925 tonnes. LME silver holdings rose by 170,000, to 15,830,000 ounces.

Coffee market rises as shortage battle looms

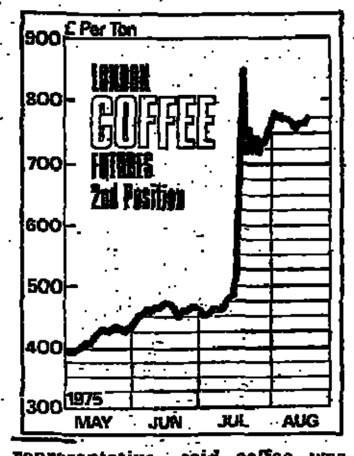
BY RICHARD MOONEY

COFFEE FUTURES prices rose sharply on the London terminal market yesterday, the November position ending at £776.75 a tonne, £14 above Friday's closing level. The rise was seen mainly as a response to the sudden upsurge on the New York market after London had closed *on Friday. This followed a report* that El Salvador had sharply increased coffee export prices.

Dealers said yesterday's rise on the London market was also helped by signs of increased Continental demand for physical coffee. However, actuals trading in the U.K. was still virtually at a standstill.

In Brazil, meanwhile, Coffee Institute (IBC) president Sr. Camillo Calazans, has issued a *strong warning* to consumers on Brazil's determination to maintain its earnings from coffee exports. Answering criticisms from importers who have *complained that Brazilian coffee* prices are at an unjustifiable premium over other types, he told a coffee seminar in Guarujá at the week-end he thought world coffee prices would rise further. He added that he was confident that Brazil would win any "price war."

But British, Swedish and Danish importers attending the seminar all warned that imports of Brazilian coffee may have to be reduced if the premium is maintained. Swedish and Danish



representatives said coffee was losing ground to tea in their countries, while a U.K. importer forecast a marked drop in British coffee drinking when recent severe price rises reached the consumer.

Brazilian coffee has been dearer than that from other origins for some time, but this has been compensated for by discounts included in the special deals, under which Brazil currently sells most of its coffee. Following the recent frost, however, *the IBC announced that it* would not be renewing these deals.

According to coffee trade sources attending the seminar, the main question is how long can roasters—whose stocks are relatively low — avoid buying the high-priced Brazilian coffee? If they remain adamant, Brazil presumably will be forced to reduce the contribution quota (export tax) which at present accounts for some 15 per cent. of the total export price.

Brazil is marking time, meanwhile, hoping that other producers will raise their export prices, and for the time being circumstances seem to be favouring this policy. Shipment problems are preventing the despatch of coffee from African producers such as Angola and Uganda, while Central America does not seem to have enough to satisfy world demand for more than few months.

Sr. Calazans told delegates at the seminar that next year's Brazilian crop might be less than 8m. 60-kilo bags, compared with 21m. this year. "Evidently there will be a coffee shortage in the market," he said. "And it is logical that Brazil will make a careful selection of its customers and try to meet the requirements of those who usually buy our coffee, or who use Brazilian coffee in their blends to a larger extent."

He declared, however, that Brazil would not renounce its role as major coffee producer, and said it would bring back to the market its traditional level of production within four years.

Jute policy a test for Bangladesh

BY OUR ASIA CORRESPONDENT

ONE OF THE first tests for the new Bangladesh administration will be the way it handles its jute policy. President Khondakar *Mushtaque Ahmed has taken* over at a difficult time, with the new crop expected to be between 4m. and 4.5m. bales—up to 50 per cent. below the average of the 1960s.

On top of this, the full advantages of the devaluation of the taka have still to be worked out. The new Government's jute policy will be crucial in realising — or failing to realise — the benefits of the devaluation.

Jute and jute goods account for 85 per cent. of Bangladesh's export earnings and the country has no other potential export to which it can readily turn.

Another important factor is that the U.S. economy is expected to pick up as the year goes on, and with it the vital house-building and carpet markets. If the ailing Bangladesh jute industry—and by implication the whole economy—is to have a chance of recovery, it must be prepared to seize all the advantages of a U.S. upturn.

But for the moment, observers are waiting for the first substantial statement from the Government. The delay may be partly because the new regime is still trying to work out the balance of power between the civilian and the military sides.

If jute is to be given a boost, Bangladesh must improve the marketing, quality control and delivery schedules of raw jute. It must see also that the jute mills are working efficiently and with better labour relations,

Disagreement at whale catch talks

TOKYO, August 18.

OFFICIALS FROM South Africa, Brazil, Japan and the Soviet Union were discussing their individual catch quotas of sei and mink whales for this season in the southern hemisphere, the Japanese Fishery Agency said.

The talks, which began late last week, were due to last for only two days but had been extended because of disagreement.

They were a *follow-up* of the International Whale Conference in London in June, where the total catch limit was set at 2,230 heads for sei whales and 6,810 for mink whales, the agency said.

Conference sources said the present talks were expected to reach agreement on national quotas by to-morrow.

Reuter

Harvesting early but yields down

WITH COMBINES busy in thousands of dusty fields, about half of this year's harvest of barley and oats has already been gathered in, and nearly one-third of the wheat.

The Ministry of Agriculture's weekly crop report, issued yesterday, says that the week-end rain ended the spell of hot, dry, weather, but the cereal harvest "continued at a great pace."

Yields are variable but, overall, are likely to be below last year's.

More rain is needed to bulk up the potato crop, now suffering from the dry weather. The crop remains largely free from blight. Sugar beet also needs more rain and the Ministry says that, given normal rain from now on, average yields per acre can be expected.

● Farmers' wives from Sussex will deliver a petition—and an empty milk bottle—to 10 Downing Street to-day, protesting about the plight of Britain's dairy farmers. It is claimed to be the first time that farmers' wives have taken a petition to number 10. The Prime Minister is on holiday, however, in the Scilly Isles.

Good early rice crops in China

HONG KONG, August 18.

THREE MAJOR rice producing provinces in South China—Kwantung, Hupeh and Kiangsu—have reaped good early rice crops this summer, the New China News Agency reports.

It says Kwantung achieved *good yields from more than 2m.* hectares following its excellent harvest last year. In Hupeh both total output and per-hectare yield for the 1,067,000 hectares hit an all-time high, while there was a good harvest from the 670,000 hectares in Kiangsu.

The Agency did not give the total crop *yield* from the three provinces, but says between six and 7.5 tons of grain per hectare have been reaped.

Reuter

JAPAN TO BUY EGYPT COTTON

OSAKA, August 18.

Japan is expected to buy 50,000 to 80,000 bales of 1975-76 crop Egyptian cotton, informed industry sources aid. They estimated the price at 75 to 90 U.S. cents per pound, c.i.f. Japan.

Japan made no purchases from the 1974-75 crop because of the domestic recesion.

Reuter

SUGAR SUPPLIES

Only a downpour can save U.K. beet crop

By DAVID RICHARDSON

THE KEY phrase in last week's *optimistic British Sugar Corporation* prediction of sugar yield from the U.K. beet crop is "if the weather is favourable." Words which conceal the desperate need for immediate significant rain in beet-growing areas, without which this year's crop could turn out to be an even bigger disaster than last year's.

The official BSC forecast of 800,000 to 850,000 tons of total *sugar yield is, in any case, 50,000* tons lower than previous forecasts, against a target of 1.04m. tons. But even this more modest estimate must be based more on faith than on the state of the crop at the moment.

Test diggings by BSC field men last week gave average root *weights of 271 grammes and* average sugar content of just under 15 per cent. In mid-August, 1974, comparable figures were 330 grammes and a little over 12 per cent. sugar.

Root weights are, therefore, 18 per cent. below those of last year, and although the higher sugar *content appears on the face of* it to partly compensate for the lighter roots, much of this is because of severe dehydration. Moreover, last season's yields were the lowest for about 30 years—hardly auspicious as a basis for comparison.

Populations

On the credit side, says the BSC, plant populations are high. *An average of over 28,000 per* acre was recorded last week, against only 25,600 in 1974. In a year like this, however, even that could prove to be a disadvantage. The more plants per acre, the less moisture for each root. The inevitable result will be a bigger proportion of small beet.

If the drought continues much longer, many roots will be so small that they will be impossible to harvest mechanically. Although there are several different types of harvester, they all include linked chains, along which the roots are carried on *to trailers.*

The links have lateral bars about two inches to three inches apart, so that unwanted small stones and soil can fall between them back on to the land. There is a danger that many small beet will be lost through those chains when harvesting begins in five to six weeks, assuming that they can be lifted from the rock-hard ground.

It is almost inconceivable that two consecutive beet crops should be so badly affected by weather. Committed growers shrugged off last year's losses and some took advantage of the opportunity to increase their contract acreage when the EEC raised the U.K. sugar quota.

Most of those who decided to grow more were farming light land. Heavy land farmers had a sharp reminder last year of the difficulties of growing and harvesting sugar beet on such soils in wet conditions, and some gave up growing or cut back their acreage.

Ironically, it is light land crops which have suffered most from lack of rain. In some cases there are whole fields where the outside leaves of the beet have wilted for so long on to the scorching soil that they have died. Only the heart leaves growing from the top of the crown are alive.

Given heavy rain, it is conceivable that those heart leaves could help the root to increase in size, but with three-quarters of the leaf area gone, that potential is limited.

Crops on heavier land don't look so bad. They too have been *wilting alarmingly* in the hot sun, but still manage to perk up at night.

Farmers able to water their crops will benefit considerably and could well harvest bumper yields. But it has been estimated that it is only possible to irrigate about 5 per cent. of the notional beet acreage.

India's sugar production may reach 4.85m. tonnes this season, compared with 3.95m. tonnes last year, says a U.S. Agriculture Department field report from New Delhi. It states that output as at July 22 was already 4.765,000 tonnes—a figure which London trade sources consider may well be pessimistic.

Transpiration

Meanwhile, most sugar beet growers, practically all of whom grow cereals, find themselves in the paradoxical situation of wanting rain in the middle of *the corn harvest.*

In my own district of Norfolk, the county in which a quarter of British sugar beet is grown, only about 1.5 inches of rain has fallen since the end of May, while temperatures—and therefore transpiration rates—have been the highest for years.

There have been a few isolated storms which have freshened up small areas, but in the main there hasn't been enough rain to lay the dust. What is needed is *24 to 48 hours of steady downpour.*

There is no doubt that the Board of the BSC is in a difficult position. Having been given an increased quota, and committed itself to massive capital expenditure on factory expansion, it is now faced with the prospect of working at well below capacity for the second year running.

How much below is still impossible to know, but suffice to say that one BSC man — faced with the dilemma of predicting yields — said he had never seen anything like this year's sugar beet in a lifetime of dealing with the crop.

Depending on the weather, he reckoned that the yield could be anything between 14 and 7 tons per acre. Without commenting *on which of these two wildly* different figures might be nearest to that realised, it should be pointed out that the lower figure implies a total sugar yield of only about 450,000 tons — considerably worse than even last year's disastrous crop.

Japan stepping up exports of nickel ingots

TOKYO, August 18.

JAPAN IS actively selling nickel ingots abroad to cover a decline in domestic demand, trade-industry Ministry sources said.

According to official trade figures, nickel exports in June and July rose to 280 tonnes, compared with last year's monthly export average of 125 tonnes.

The Ministry has set the framework for special export authorisations of the metal at about 2,000 tonnes for the fiscal year 1975, ending next March, up from 1,500 tonnes authorised for the previous fiscal year.

Reflecting suggish domestic demand, nickel stocks now exceed 10,000 tonnes—double the normal level.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Marginally higher on balance *on the London Metal Exchange. Renewed* speculative and influential buying in early trading outweighed trade selling and forward metal moved up to £637 at one time. Profit-taking and fresh offerings of cash metal subsequently reversed the *trend and the price slipped back to £632.* It then rallied to £635 encouraged by the opening firmness of the U.S. market before ending at £632.5 on the afternoon Kerb. Although larger than expected, the further rise in the already record warehouse stocks figure had little market impact. Turnover 11,950 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	612-3	+9.25	611-.5	+2.75
3 months	633.5-4	+10	633-.5	+5.5
Settlem't	613	+9.5	—	......
Cathodes				
Cash	599-600	+9.25	599-.5	+3.75
3 months	619.5-20.5	+6.75	620.5-1.5	+4.5
Settlem't	600	+9.5	—	......
U.S. Smlt.	—	......	*63-63.7	......

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £615, three months £633 to 37 to 34. Cathodes: cash £599, three months £620. Kerb: Bars: cash £611 mid-Nov. £633, three months £632, 33.5, 34, 33. Afternoon: Wirebars: cash £611, three months £632, 31 to 33.5, 32. Kerb: Bars: cash £612 three months £635 to 32.5.

TIN—Lower again. Despite the steadiness in Penang over the week-end, prices here eased afresh with the contango widening to around £69 at one time in the morning reflecting freer offerings of cash metal possibly prompted by the larger than anticipated rise in warehouse stocks. Forward metal traded down to £3,275 before recovering to be £3,280 bid on the afternoon Kerb. Turnover 490 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3207-10	-4	3214-8	-11
3 months	3275-7	+5.5	3276-9	-9.5
S'ment	3210	-5	—	......
Standard				
Cash	3207-10	-4	3214-8	-11
3 months	3275-7	+5.5	3276-9	-9.5
S'ment	3210	-5	—	......
Straits E.	‡1015	+1	......	......
New York	—	......	*363.00	-1.0

Morning: Standard: cash £3,210, three months £3,200 to 75, 73. High Grade untraded. Kerb: Standard: three months £3,280, 78. Afternoon: Standard: three months £3,750, 80. High Grade untraded. Kerb: Standard: three months £3,280.

LEAD—Easier. Prices were firmer in early trading in line with the trend of copper but they later fell back owing to profit-taking. Forward metal ended at £195.5 after being £199 at one time. Turnover 3,875 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	187.5-8.5	+2.75	187-.5	-.75
3 months	186.5-7	+2.375	186.75-6	-.625
S'ment	188.5	+3	—	......
N.Y. Spot	—	......	19-22¼	......

Morning: three months £198, 96, 98.5, 98, 98, 96.5, 97. Afternoon: three months *£196.5, 96. Kerb: three months £196.*

ZINC—Seesawed. Prices initially renewed last week's upward movement on further consideration of the now generally expected rise in the European producer price. Forward metal traded up to £376 but ended at £370 owing to profit-taking. Turnover 4,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	362.5-3	+8.25	368-.5	-1.25
3 months	375.5-6	+10.25	370.5-1	-.75
S'ment	363	+9	—	......
Prm. West	—	......	*38½-9	......

Morning: cash £363, three months £376, 75, 78. Kerb: three months £378. Afternoon: three months £374 to 78. Kerb: three months £372.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 4.4p an ounce higher for spot delivery in the London bullion *market yesterday at 232.4p. U.S. cent* equivalents of the fixing levels were: spot 489.8c. (481.0c.); three-month 501.0c. (491.6c.); six-month 512.4c. (502.9c.); and 12-month 534.4c. (525.3c.). The metal opened at 231½-232½p (488-498c.), and eased at the close to 232.2-231.2p (485-488c.).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	232.4p	+4.4	230.85p	-0.85
3 months	239.7p	+4.7	238.25p	-0.15
6 months	247.4p	+4.7	—	......
7 months	—	......	248.5p	+0.25
12 months	262.7p	+4.7	—	......

LME—Turnover 120 (242) lots of 10,000 ozs. Morning: Three months 241, 40.5, 40.8, 40.3, 40.2. Kerbs: Three months 240.3, 40.1. Afternoon: Three months 236.5, 38.7, 39, 38.3, 38.2. Kerbs: Three months 238, 37.8, 37.9.

COCOA

After early easiness, prices firmed towards the close on speculative buying influenced by New York market, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 4 Contract			
September	661.0-64.5	+4.25	665.0-48.0
December	607.0-09.0	+0.75	612-595½
March	594.0-97.0	+1.5	597.0-82.0
May	587.0-88.0	+4.5	586.0
July	580.0-85.0	-1.0	—
September	580.0-90.0	+2.5	—
December	575.0-90.0	-1.25	—

Sales: 1,074 (1,595) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 54.67 (57.78) U.S. cents per pound: indicator 15-day average 55.30 (55.62); 22-day average 55.96 (55.85).

GRAINS

THE BALTIC—Imported grains were generally neglected, with prices showing small irregular movements where changed. Optional maize attracted a limited enquiry for Oct. transhipment to the east coast U.K., but actual business was slow to develop.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent. Nov. £100.10, Dec. £101.25 direct Tilbury. EEC feed Aug.-Sept. £82.75 east coast.

Maize—No. 3 yellow American-French Sept. £68, Oct. £68 transhipment east coast.

Barley—EEC feed Aug. £63, Sept. £63.50, Oct. £65 east coast. Rest unquoted.

MARK LANE—Domestic milling wheat developed a slightly firmer undertone with scattered business, including Sept. delivery in London at £68.75 per long ton. Other sections were also dull. Denaturable quality wheat changed hands in East Anglia at £61.50 for Sept., while feed barley sold for similar positions in Liverpool at £63.75. Average sellers quotations per long ton for delivery London area: Wheat Hagbers Sept. £63.50 to £63.75, Oct.-Dec. £67; denaturable Oct.-Dec. £62.25. Feed barley unquoted.

HGCA—Location ex-farm spot prices: Feed wheat—E. Suffolk £57.95. Feed barley—E. Suffolk £57.40. N.E. Scotland £60.25.

HGCA—Regional and U.K. average ex-farm spot prices for week ended August 14: Soft milling wheat—S. East £59.95, S. West £59.70, Eastern £57.95, E. Midlands £58.10, W. Midlands £58.60, N. East £57.20, U.K. £58.15. Feeding barley—S. East £55.45, S. West £58.30, Eastern £55.60, E. Midlands £55.30, W. Midlands £55.40, N. East £57.10, N. West £54.95, Scotland £55.10, U.K. £55.85.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. 62.20, Nov. 64.70, Jan. 66.95, March 68.65, May 70.15. Business: Sept. 62.35-61.90, Nov. 65.15-64.55, Jan. 67.30-66.90, March 68.30-68.60, May 70.15-69.95. Barley, steady. Close: Sept. 63.00, Nov. 65.05, Jan. 66.60, March 68.10, May 69.30. Business: Sept. 63.00-62.70, Nov. 65.00-64.90, Jan. 66.80-66.60, March 68.15-68.00, May 69.30 only.

COFFEE

Robusta futures opened up to £13 higher and Arabicas around 200 points up on balance following the firmness of Friday's New York market, which in turn reflected trade reports that El Salvador had raised minimum coffee export prices by 2 cents per pound.

Robusta prices held basically steady in the afternoon, aided by dealer buying and short covering. Profit-taking pared gains at the close, but prices still finished £17 to £13 up on balance. Arabicas closed 150 to 250 points higher.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	774.0-57.0	+15.25	776.0-75.0
November	776.5-77.0	+14.0	769.0-76.0
January	781.0-82.0	+15.0	786.0-78.0
March	786.0-87.0	+16.0	790.0-80.0
May	789.5-90.5	+17.0	792.5-83.0
July	790.0-92.0	+15.5	793.0-88.5
Sept.	791.0-92.0	+15.75	792.5-88.0

Sales: 985 (385) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild *Arabicas 108.00 (100.50).* Other Mild Arabicas 84.50 (82.42). Unwashed Arabicas Santos Fours 97.50 (same). Robustas 77.25 (77.00). Daily average 89.00 (86.65).

ARABICA CONTRACT (in order buyer, seller, sales)—Aug. 94.50-97.00, nil; Oct. 93.30-93.60, 11; Dec. 94.20-94.30, 15; Feb. 95.00-95.10, 54; April 93.50-95.75, 4; June 96.00-96.50, 1; Aug. 96.00-96.50, 1. Sales: 88.

RUBBER

STEADIER opening in the London physical market. Little interest throughout the day, closing easier. Lewis and Peat reported a Malaysian godown price of 151 cents a kilo (buyer, September).

No. R.S.S.	Yesterday's close	Previous day's close	Business done
Sept.	36.00-37.50	36.50-37.50	36.00
Oct.	36.25-37.30	36.75-38.00	—
Oct.-Dec.	37.10-37.50	37.75-38.40	37.30-37.10
Jan.-Mar.	38.30-38.68	38.60-38.70	38.80-38.65
Ap-Jun.	39.60-39.70	39.85-40.00	40.50-39.60
Jy-Sept.	40.50-40.60	40.80-40.95	41.25
Oct-Dec	41.50-41.55	41.50-41.60	42.00-41.25
Jan-Mr.	41.90-41.95	42.10-42.40	42.40-41.90
Ap-Jun.	42.50-42.40	42.40-42.85	42.85

Sales: 132 (180) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 35.0p (35.5p); Sept. 33.5p (32.6p); Oct. 33.25p (same).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
August	90.0-95.0	-0.25	—
October	89.7-90.0	+5.75	90.5-89.0
December	90.5-90.6	+5.85	91.4-89.4
February	92.5-92.8	+4.8	92.6-91.2
April	93.3-93.8	+4.65	93.4-93.0
June	94.8-95.3	+4.85	95.0
August	95.1-95.5	+4.05	95.0

Sales: 185 (67) lots of 100 tonnes.

FREIGHTS

DRY CARGO—Market opened on a moderately active note, but interest was almost exclusively confined to the time-charter sector with most other sections idle. Grain shippers, however, covered a cargo from Great Lakes to Algeria at $22 f.i.o. for Sept. and paid $205,000 f.i.o. for a cargo, 21,000 long tons, from three ports South Brazil to two ports Rotterdam/Hamburg range for Aug. Time-charterers fixed a vessel of 41,620 long d.w.t. for three to five months' trading at $3 delivery Continent Sept.

SUGAR

LONDON DAILY PRICES (raw sugar) unchanged at £2.30 a ton c.i.f. for Aug.-Sept. shipment. White sugar daily price was fixed at £230 (same) a ton.

Values opened with first trades around 300 points *below Friday* night's closing levels, and prices eased by a further 200 points before recovering some resistance. After a further easier spell, prices recovered a little and fluctuated in a 260-300 point range until the close, C. Czarnikow reports.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	222.00-25.00	228.50-28.50	230.00-17.00
Dec.	219.50-20.00	226.50-27.00	228.00-15.00
March	216.00-18.50	222.50-25.00	214.00-15.00
May	211.00-11.50	216.25-17.00	216.00-08.00
Aug.	208.00-08.50	213.50-14.00	212.50-07.00
Oct.	206.00-06.5	211.00-14.00	207.50-05.50
Dec.	203.00-05.00	208.00-11.00	203.00

Sales: 2,475 (4,370) lots of 50 tons.

Tate and Lyle ex-refinery price for *granulated basis white sugar was £228.80* (same) a long ton for home trade and £315 (same) a long ton for export.

WOOL FUTURES

LONDON—Market featureless, awaiting resumption of sales in Australia, Bache reports.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
October	161.0-69.0	+0.5	—
December	166.0-72.0	-1.0	—
March	175.0-78.0	+0.5	175.0
May	178.0-85.0	......	179.0
July	181.0-85.0	-0.5	—
October	188.0-91.0	-0.5	—
December	190.0-96.0	......	—
March	194.0-99.0	+1.0	—

Sales: 10 (4) lots of 1,500 kilos.

BRADFORD—Prices higher, particularly for merinos and fine crossbreds, with more business being placed. Imminent resumption of sales in Australia and *resumption in New Zealand last week,* when medium cross-bred prices rose, were cited as factors by traders.

SYDNEY GREASY (in order buyer, seller, business)—Oct. 254.2-254.8, 255.0-254.0; Dec. 260.5-260.7, 262.5-260.5; March 265.0-265.3, 267.1-265.3; May 268.5-269.0, 270.5-270.0; July 270.0-270.6, 271.0-270.6; Oct. 272.0-272.5, 272.5-272.0; Dec. 273.0-273.5, 273.0-273.40. Sales 62.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 30.0 to 32.0. English hindquarters, heavy 37.0 to 38.0. Eire hindquarters *36.0 to 39.0, forequarters 18.5 to* 20.0.

Veal: English fats 38.0 to 42.0, higher quality fats 42.5, bobbies 10.0 to 12.0, Scotch bobbies 8.0 to 9.0, Dutch hinds and ends *39.0 to 62.0.*

Lamb: English small 27.0 to 32.0; medium 26.0 to 28.0, heavy 24.0 to 26.0. Scotch medium 25.0 to 27.0, heavy 23.0 to 24.0, imported frozen: New Zealand D's *28.0 to 29.0, 2's 27.5 to 28.5, YL's 26.0 to* 27.0.

Ewes: 9.0 to 12.0.

Pork: English, under 100 lbs 26.0 to 32.0, 100-120 lbs 25.0 to 31.0, 120-160 lbs 25.0 to 29.0, 160-180 lbs 23.5 to 26.5, 180 lbs and over 22.5 to 24.5.

MEAT COMMISSION—Average fatstock prices at representative markets on August 18: U.K.—Cattle £17.31 per live cwt (+0.66); sheep 28.7p per pound e.d.c.w. (+0.41); pigs £4.08 per sc.l.w. (−0.16). England and Wales—Cattle numbers up 7.1 per cent., average price £17.32 (+0.32); sheep down 1.2, 29.1p (+0.6); pigs up 9.3, £4.07 (+0.16). Scotland—Cattle up 9.2, £18.11 (−0.29); sheep up 17.6, 24.7p (−1.3); pigs down 20.9, £4.43 (+0.16).

MEAT COMMISSION—Average fatstock prices at representative markets, week ended August 16: *U.K.*—Cattle £17.17 per live cwt (−0.29); sheep 27.9p per pound e.d.c.w. (−2.3); pigs £3.89 per score live-weight (−0.13). England and Wales—Cattle numbers down 2.6 per cent., average price £17.24 (−0.38); sheep down 10.4 per cent., 28.2p (−2.3); pigs down 15.9 per cent., £3.88 (−0.13). Scotland—Cattle up 13.6 per cent., £18.16 (−0.31); sheep down 11.2 per cent., 25.0p (−2.2); pigs down 5.3 per cent., £4.25 (−0.04).

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Brazilian: 2.20-2.30; South African: 2.60-2.90; Californian: 2.70-3.20. Grapefruit—South African: 3.20-4.50. Lemons—Italian: 6.50; South African: 5.80-6.50. Apples—French: Golden Delicious 72 2.70, 84 2.60; Tasmanian: Sturmer 7.50. Pears—Italian: Per pound, Williams 0.11-0.12; French: *28 lbs Williams 2.80, Guyots 3.00.* Bananas—Windward Islands: Per 28 lbs 2.70-2.80; Jamaican: 2.60. Grapes—Cyprus: Per 18 lbs Sultana 3.00, per 12 lbs Thompsons 2.40; Spanish: Per 12 lbs Cardinal 1.80; Italian: Regina 2.20. Peaches—Italian: Per 1½ trays 2.70-3.20. Plums—Spanish: Santa Rosa 3 2.20, 4 2.40, 5 2.50; Italian: Per pound Stanley 0.25, Giant Prunes 0.15-0.16. Greengages—Spanish: 3 2.10, 4 2.30, 5 2.60. Tomatoes—Guernsey: 1.00; Jersey: 0.90-1.00. Onions—Spanish: 2.50-2.60. Melons—Spanish: 1.80-3.40. Courgettes—Jersey: 0.50-0.60.

English produce: Lettuce—Per 12 round 1.40, cos 1.50. Cucumbers—Per tray 12 1.30, 14 1.30, 16 1.30, 18 1.00, 20 0.70. Potatoes—Per 56 lbs 2.50-2.60. Celery—Per 20/24 2.00. Mushrooms—Per pound 0.30-0.45. Cabbages—Per bag, Primo 1.20. Marrows—Per pound 0.50. Cauliflowers—Per 12 1.20. Beetroot—Per 12 lbs 1.20. Tomatoes—Per 12 lbs 0.70-0.80. Runner beans—Per pound 0.05. Onions—Per 56 lbs 2.40-2.50. Apples—Per pound Grenadiers 0.04-0.05, Bramleys 0.09-0.10, James Grieve 0.09, Discovery 0.16. Courgettes—Per 12 lbs 0.50-0.60. Carrots—Per 28 lbs 0.60-0.80.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Aug.-Sept. shipment: BWB £193, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods firmer. Quotations c. and f. U.K. for Aug. shipment: 10-oz. 40-inch £6.83, 7½-oz. £5.21 per 100 yards. Sept. £6.94 and £5.32, Oct.-Dec. £7.23 and £5.40. "B" twills: £21.61, £21.73 and £21.99 for the respective shipment periods. Yarn and cloth very quiet.

LONDON—Quiet. Bangladesh White C grade Aug.-Sept. £195. D grade Aug.-Sept. £188. A long ton.

CALCUTTA—Quiet. Indian Aug.-Oct. Rs455 value. Dundee Daisee Aug.-Oct. Rs415 value. A bale of 400 lbs.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 26 tonnes. Demand was still on extremely narrow lines, and operators were cautious in assessing forward needs. Minor transactions in American-type varieties were recorded, mostly in Russian and Turkish qualities, F. W. Tattersall reports.

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GRIMSBY FISH—Supply good, demand good. Prices per stone at ship's side: Shelf cod £1.70-£2.50, codlings £1.40-£1.90; large haddock £2.80, medium £2.40-£2.60, small £1.40-£2.20; large plaice £3.20, medium £3.00, small £2.40-£2.80; skinned dogfish £3.60, medium £3.00; coalfish 85p-£1.00; rockfish £1.10-£1.30; lemon soles £4.00-£4.50; reds 80p-£1.00.

PROTEST PLANNED AGAINST FRENCH EGG IMPORTS

Britain's egg producers may picket shops selling cheap imported eggs from France, Mr. Keith Pulman, secretary of the U.K. Egg Producers' Association, said yesterday: "We are asking our members to give us the names and addresses of shopkeepers who regularly sell French eggs.

"Posibly, our members will then draw the attention of the housewife to what is going on by picketing the shops."

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 18 1975	+ or —	Month ago
Metals			
Aluminium (a)	£396	......	£396
Free Market cif	£535-546	......	£510-525
Copper†			
Cash Wire Bars (a)	£611.25	+2.75	£562
3 month do. do.(a)	£633.25	+5.5	£581
Cash Cathode (a)	£599.25	+3.75	£550.5
3 months do. (a)	£621	+4.5	£569.25
Gold......Troy oz.	$162.125	+0.25	$164.25
Lead Cash (a)	£187.25	-0.75	£167
3 months (a)	£196.875	-0.625	£174
Nickel (a)	£1,958	......	£1,958
Free market cif (lb)	$1.75-.85	......	$1.75-.90
Platinum (b) troy oz.	£81-85	......	£72-76½
Free Market	£79.9	+0.5	£72.5
Quicksilver (76lb) (z)	$112	—	$110-115
Silver Troy oz.	232.4p	+4.4	215p
3 months	239.7p	+4.7	218.6p
Tin Cash (a) §	£3,216	-11	£3,109
3 months (a)	£3,277.5	-9.5	£3,130
Wolfram 22.04lb. cif	£40½-42	......	£38½-39
Zinc Cash (a) §	£368.25	-1.25	£322.5
3 months (a)	£370.75	-0.75	£325.125
Producers (a)	£360	......	£360
Oils			
Coconut Malayan	‡	......	£160*
Groundnut		......	
Oil	£462	......	£392
Linseed Crude (a)	£452	......	£422
Palm Malayan (a)	‡	......	£176
Soyabean (a)	‡	......	‡
Seeds			
Copra Philipp ton	$235h	......	$240
Gr'nuts Nigerian	£182	......	
Linseed Can. No. 1	£190	+5	£167.5
Grains			
Barley EEC	£63	-1.0	£57.25
Homes Futures	£63.0	-0.25	£56.25
Maize			
French No.3 Am.	£68	-0.5	£57.5
S.A. Yellow	‡	......	£69
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	‡
English Milling	£63.5	+0.25	£59.75
Cocoa Shipment (a)	£642	......	£714
futures Dec.	£608	+0.75	£629.25
Coffee Shipment (c)	72	......	
futures Nov. (Uib)	£776.75	+14.0	£855
Cotton 'A' Index			
cent	55.5	+0.95	54.15
Jute LJABWC (d)	£195	......	£195
Rubber......kilo	35p	-2.0	35.0p
Sisal EA3L (a)	$600	......	$600*
Sugar (Raw)	£230	......	£185
Wooltops 64s....kilo	193p	+3.0	188p
Clove (Madagaska)	£2,550	......	£2,550
Pepper White...ton	£900	......	£890
Black...ton	£700	......	£690

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h November. Aug.-Sept. z Metric tons. r September. v Aug.-Oct. s July-Aug. t Nov. q May-June. w Nov.-Jan.

FINANCIAL TIMES

Aug. 18	Aug. 15	Month ago	Year ago
185.19	186.60	179.80	206.35

(Base: July 1, 1952=100)

REUTER'S

Aug. 18	Aug. 15	Month ago	Year ago
1197.0	1196.5	1112.4	1270.1

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 18	Aug. 15	Month ago	Year ago
Spot	330.66	330.88	299.41	371.35
Futures	316.26	317.14	277.41	345.97

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 18	Aug. 15	Month ago	Year ago
Spie Commodity	811.5	812.7	767.6	851.9

(Dec. 31, 1931=100)

COPRA—Philippines: Aug.-Sept. $235, Oct. and Nov. $240 quoted per tonne c.i.f. North European ports.

U.S. Markets

Limit fall in sugar, grains drop

NEW YORK, Aug. 18.

SILVER closed lower on continued long liquidation. Despite the 23rd consecutive rise in LME warehouse stocks, copper edged higher. Cocoa rose sharply on *active Commission House short-covering.* Sugar closed limit-down on heavy trade selling. Chicago grains finished sharply lower in beans and lower in maize and wheat on news that U.S. longshoremen were refusing to load Soviet-bound grains, *Bache reports.*

Cocoa—Ghana spot 81½ (80½). Bahia spot 63½ (same). Sept. 62.80 (62.10), Dec. 56.10 (54.90), March 53.00, May 51.40, July 50.41, Sept. 49.31, Dec. 48.46. Sales: 1,171.

***Coffee**—Spot Santos No. 4 unquoted* (same). Colombian Mams unquoted (same). "C" Contract: Sept. 86.70-86.60 (86.20), Nov. 85.75 (85.40), Dec. 85.75-85.70, March 84.90, May 85.30 asked, July 85.85-85.95. Sales: 323.

Copper—Aug. 58.90 (56.60), Sept. 59.10 (58.80), Oct. 61.00, Dec. 61.60 settlements. Sales: 1,535.

Cotton—Oct. 51.15 (51.44), Dec. 51.42-51.50 (51.75), March 52.30, May 52.90, July *53.50-53.54, Oct. 53.80 bid, Dec. 54.20-54.25,* Sales: 2,032.

ΦGold—Aug. 161.90 (162.50), Sept. 162.50 (163.40), Oct. 163.60, Dec. 166.20, Feb. 169.20, April 172.20, June 175.20, Aug. 178.20, Oct. 181.20, Dec. 184.20. Sales: 547.

Greasewool—Spot 153.5 nom. (152.5 nom.), Oct. 154.0-159.0 (153.0), Dec. 154.5-159.0 (154.0), March 153.5-160.5, May 152.5-160.5, July 151.0-162.0, Oct. 150.0 bid, Dec. 150.0 bid.

***vLard**—Chicago loose 37 nom. (same),* NY *prime steam 38½ nom. (same).*

††Maize—Sept. 313-314 (321-320), Dec. 311½-311 (320-317½), March 320½-319½, May 324-323, July 324.

***‡Platinum**—Oct. 170.50 (169.50), Jan.* 175.00 (17.70), April 179.30, July 183.70, Oct. 187.70-187.90, Jan. 192.10-192.30, Sales: 166.

‡‡Silver—Spot 456.20 (467.00), Aug. 461.90 (490.20), Sept. 463.70 (492.00), Oct. 489.30, Dec. 497.50, Jan. 502.90, March 511.00, May 518.50, July 527.90, Sept. 536.10, Dec. 548.40. Sales: 6,100.

***Soyabeans**—Aug. 611-610 (625), Sept. 609½-609½ asked (629½), Nov. 617-615, Jan. *626-625, March 635 asked, May 644, July* 649. Aug. 645.

***b*Soyabean Meal**—Aug. 144.00-145.00 (148.00), Sept. 146.30 (149.80), Oct. 148.00-149.00, Dec. 154.50, Jan. 158.00-158.50, March 161.50-162.00.

Soyabean Oil—Aug. 27.55-27.60 (28.70), Sept. 26.82 asked (27.82), Oct. 26.00-26.00 asked, Dec. 25.15 asked, Jan. 24.70 asked, March 24.45 asked, May 24.20 asked, July 24.00-24.00 asked, Aug. 23.75 asked.

***Sugar**—Spot 19.75 (21.50).* Sept. 19.50 18.75 nom., March 18.55, May 18.00 asked, (43.99), Oct. 19.33 asked (20.33), Jan. asked, Sales: 4,399.

Tin—323.00-403.00 asked (325.00-403.00 asked (325.00-403.00 asked).

****Wheat**—Sept. 412½-413½ (416½-417), Dec. 431-429 (434-433), March 423½-443, May 445-445½, July 428-429.

WINNIPEG, August 18. ††Rye—Oct. 328½ bid (333½), Dec. 316½ asked (328½), *May 317½ asked, July 320 asked.*

cOats—Oct. 180½ asked (188½), Dec. 169½ asked (177½), May 168 asked.

§Barley—Oct. 271 asked (281), Dec. 263½ asked (273½), May 268½ asked.

dFlaxseed—Oct. 540 asked (560), Nov. 820 asked (850), Dec. 803 asked, May 802 asked, July 780 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 547½ (546½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. *h New* "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 34-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Equity leaders good and share index moves smartly through 300 mark with a gain of 11 points at 303.7

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The second leg of the Account in stock markets began with a flourish yesterday. Leading industrials moved ahead smartly and the FT 30-share pushed up through the 300 mark to close at the day's best with a jump of 11 points to 303.7, making a rise of 24.9 so far on the Account. There was only a small expansion in the level of trading—official *markings of 4,152 compared with* 3,811 last Friday and 4,488 a week ago—but some fairly persistent small buying found dealers *acutely short of stock and prices* responded accordingly.

British Funds were overshadowed by the strong perform*ance of the equity leaders*. Nevertheless, prices made a little further progress, although the final tone was uncertain awaiting *to-day's publication of the U.S.* Treasury Bill Rates. The Government Securities index improved 0.41 to 60.72.

Second-line equities came more into the picture, but gains were of fairly modest proportions. However, week-end Press mention *prompted a few useful improve*ments. Rises led falls by 5-2 in FT-quoted Industrials, while the FT-Actuaries All-Share index *improved 2.3 per cent. to 130.33.*

Gilts improve

With the gilt-edged market's attention focused on the trend in both U.S. and domestic interest rates, other factors such as the *July Money Supply figures and* Retail Price indices were disregarded. Interest continued to be concentrated on short-dated issues with the low-coupon maturities once again foremost in the advance; the day's gains were clipped by ¼ late, however, following reports of a rise in U.S. Treasury bill rates. Similar reactions were experienced in the mediums and longs where, after another small trade, Treasury 13¼ per cent., 1997, made the largest *improvement of ⅜ to 95. Follow*ing news of the new Liverpool 13¼ per cent., 1981, Loan, several recently-issued partly-paid Cor*porations went better; both the* Barnet 13½ per cent., 1980, and Derby 13¼ per cent., 1982, stocks rose ⅜ to 11⅜ and 11¼ respectively.

Not quite so volatile as recently, the investment currency premium traded within a com*paratively narrow range before* closing nearly a point lower on the day at 94½ per cent. Yesterday's SE conversion factor was *0.6333 (0.6325).*

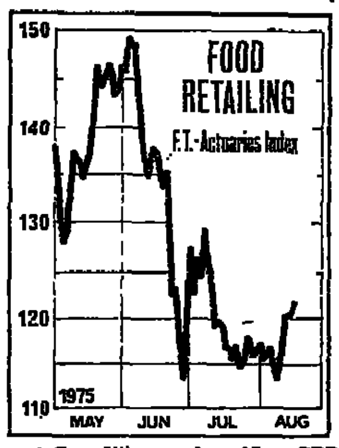
Banks firm

*The big four Banks scored use*ful gains following persistent small buying in a market short of stock. **Midland** fared best, rising *15 to 245p, while* **Lloyds**, *198p, and* **National Westminster**, 208p, both gained 8 and **Barclays** 5 to 255p. Discounts also made good late *headway;* **Union** *did well, rising 17* to 300p, while **Alexanders** closed 5 better at 180p as did **Cater Ryder** at 215p. Quietly firm Merchant banks had **Slater Walker** 3 dearer at 61p in front of to-day's interim results.

Up 10 last Friday, "**Royals**" *rose 8 more to 268p on small buy*ing ahead of to-day's half-year figures. Stock shortage helped bring about good gains elsewhere. *General Accident firmed 6 to 140p* and **Guardian Royal Exchange**, 173p, **Phoenix**, 188p, and **Sun Alliance**, 377p, all closed 4 better. *Pearl improved 2 to 200p in Life* issues.

Persistent small buying in a market short of stock left Breweries firmer throughout the list. **Bass Charrington** put on 4 to 85p and **Allied** hardened 3 to 68p. **Whitbread "A"** rose 2½ to 54½p with the help of Press comment. Elsewhere, **Distillers** attracted buyers and rose 5 to 112p and **H. P. Bulmer** edged forward a penny more to 68p, after 69p.

Buildings paraded several firm *spots.* **Taylor Woodrow** *advanced* 10 to 240p, **R. Costain** 5 to 157p



and **Geo. Wimpey** 6 to 97p. **BPB Industries** extended Friday's partial recovery with a rise of 5½ *to 96p, while trading news helped* **International Timber** to pick up 4 at 65p. **Hoveringham Gravel** responded to Press comment with *a rise of 2 to 22p, while other* firm spots included **Associated Portland Cement**, 5 better at 143p, and **L. Fairclough**, 4 higher at *140p.*

ICI improved 5 to 259p. Elsewhere in Chemicals, **Fisons** gained 6 at 302p and **Alginate Industries** *4 at 160p.* **Albright and Wilson** were 3 harder at 62p as were **Laporte** at 74p.

Stores wanted

Stores attracted an improved business and closed at, or near, the day's best. **British Home Stores** advanced 12 to 297p, while **Marks and Spencer** finished 6 better at 102p and "**Gussies**" "**A**" 9 higher at 164p. **F. W. Woolworth**, ahead of to-morrow's interim *results, moved up 2½ to 46½p.* **UDS** gained 3 at 81p and **House of Fraser** 4 at 73p. **Dixon's Photographic "A"** hardened 3 to 35p following a Press mention, while **Henderson-Kenton** ended 3 up at 28p in response to the first quarter's figures. Investment demand helped **W. H. Smith "A"** to move up 9 to 332p, while buying interest was also shown in **Austin Reed "A,"** 3 firmer at 32p. *Wallis* and **Company**, 4 dearer at 46p, and **Mothercare**, 5 to the good at 158p. In Shoes, **Lambert Howarth**, at 30p, recouped Friday's fall of 2 which followed the interim statement.

Fairly light support in a market none-too-well supplied with stock left gains ranging to 6 in leading Electricals such as **EMI**, 179, and **GEC**, 121p. *Thorn* **Electrical** finished 4 better at 164p and **Reyrolle Parsons** 3 firmer at 41p. However, **BICC**, a penny off at 101p, after 100p, were unsettled by news that the Scott Lithgow shipbuilding company is making a multi-million pounds compensation claim for "faulty cable" supplied by BICC. Also in easier vein were **Philips' Lamp**, which slipped 10 to 700p with the lower investment premium. Mainly firm secondary issues had **Racal Electronics** up 8 at a peak for the year of 163p in a thin market, helped by Press mention. **BSR** recouped 4 at 60p, *while* **Decca "A"** *ended similarly* better at 174p. Improvements of 3 were seen in **Lee Refrigeration**, 46p, and **Sangamo Weston**, 90p, but *Westforth Electrical, on the* annual results, shed a penny to 13p. **Normand Electrical** were quoted ex "rights" at 26p, down *3, with the new nil-paid at 1p pre*mium.

Leading Engineerings joined in the upturn and **Hawker** gained 6 to 256p, while **GKN** put on 5 to 203p. **Vickers** were reasonably active at 125p, up 6, but **Tube Investments** only 2 better at 216p, were held back by uncertainty over to-morrow's results. Press mention drew support for **APV**, up 5 at 173p, and **Babcock and Wilcox**, similarly higher at 99p, while **Acrow "A"** improved 1 to 63p. *News of the increased profits* lifted **Danks Gowerton** 1 to 31p and occasional speculative demand took **Wolseley-Hughes** up 4 to 71p. *Among smaller-priced issues,* **Metropole Industries** hardened 2 to 13p, but profit-taking lowered **Wombwell Foundry** a like amount to 18p. Newspaper comment encouraged an interest in **Robb-Caledon** which, after last week's setback, rallied 3 to 16p, after 17p.

Foods moved into higher ground under the lead of **Tate and Lyle**, which rose 10 to 197p following Press comment. **Meat Trade Suppliers** featured late with a jump of 9 to 73p on the increased dividend and higher profits, while **Kinloch (Provision Merchants)**, still on the interim statement, move up 4 more to 114p. **Cavenham** were raised 5 to 132p, while **Associated Dairies**, 166p, and **Manbre and Garton**, 110p, put on 4 apiece. In Supermarkets, **Tesco** hardened 2 to 44p and **Wheatsheaf Distribution** 3 to 128p.

J. Lyons "A" improved 5 to 135p in Hotels and Caterers.

J. Coral above worst

Miscelaneous Industrial leaders closed a little bolew the day's best, but still with advances ranging to 15 on mainly modest buying in a market aggravated by stock shortage. **Unilever** ended that amount up at 365p, still benefiting from last week's better-than-expected second-quarter performance. Rises of about 12 were registered in **Rank Organisation "A,"** 133p, **Pilkington**, 228p, and **Reckitt and Colman**, 300p, the last-mentioned being helped by Press comment. **Glaxo** were finally 10 up at 350p, after 355p, and **Beecham** 9 firmer at 283p, after 285p, while **Bowater**, 150p, and **Reed International**, 208p, both added 6. **Wilkinson Match** followed the full report with a gain of 4 at 112p. Elsewhere, **J. Coral** weakened to 88p on news of irregularities in its casino division which are to be investigated by the fraud squad; however, a subsequent reassuring statement that profits and liquidity of the company would be minimally effected brought a rally to 91p *for a net loss of 5. Central Manu*facturing eased 2 to 63½p, still awaiting news of the bid talks with LCP, but favourable Press comment *stimulated* interest in **Hanson Trust**, 4 up at 92p, after 93½p. **Avon Rubber**, 31p, recouped 4 of last Friday's late reaction of *8 which followed the Board* resignation due to a dispute over the group's future development. The chairman's encouraging statement lifted **B. Fertleman** 5 to 45p, while the increased profits and proposed 100 per cent. scrip issue raised **Ega Holdings** 4 to 48p. **Longton Transport** gained 2 at 23p in reflection of Press comment on th results, while **Wedgwood** added 3 at 163p for a two-day rise of 10 on the first-quarter rise in profits.

British Leyland were again well to the fore in Motors and Distributors, rising 15½ more to 53p on small persistent buying in a restricted market; the shares have now risen 33 since dealings began last Monday in the new 50p form. **Dunlop** were raised 3 to 47p following a week-end Press mention. Garages were better where changed. **Western Motor** were prominent following the chairman's statement, the Ordinary improving 7 to 22p and the "A" 10 to 20p. **British Car Auction** were quoted, ex the "rights" issue yesterday at 28p, while the *new nil-paid shares opened and* closed at 17p premium after a light trade.

Further small demand in a *market still lacking sellers took* **Thomson** up 3 more to 160p, after 162p, and **Associated Newspapers** another 2 higher to 97p. **United** *put on 4 to 200p.* In Paper/Printings, adverse Press comment failed to influence either **Jefferson Smurfit**, 79p, or **Transparent Paper**, *37½p, while favourable* mention lifted **Eucalyptus Pulp** 1 to 28p. Following the chairman's confident view of prospects, **Alliance Alders** improved 1 to 28p.

After a slow start, selective buying interest began to develop *during the afternoon in* Properties. **MEPC**, 76p, managed to recoup 3 of the recent loss, while **Town and City Properties**, with preliminary results due Friday, hardened a penny to 17p. **Amalgamated Investment and Property** added 1½ to 25p. Outside the leaders, **Bernard Sunley**, after recent dullness on the year's loss, recovered 5 to 125p in response to Press comment. **Stock Conversion** appreciated 6 to 128p, while gains of about 3 were recorded in **Argyle Securities**, 39p, and **Slough Estates**, 71½p. **Peachey** closed another 1½ up at 25p.

Oils edge forward

Oils quietly improved, more on the back of the surrounding strength than anything else for interest was sparse. **Shell** closed *5 higher at 323p, just a penny off* the day's best, while **British Petroleum** rose 7 to 517p. **Ultramar** came more into the picture *with a rise of 4 at 190p, after 192p,* but the only other movement worth recording was in **Associated Australian**, which *recovered 7 to 117p.*

Overseas Traders closed firmer *for choice, but* **S. Hoffnung** remained a nervous market awaiting the results and lost 5 more to 75p. Improvements of 4 *occurred in* **James Finlay**, 143p, and **Anglo-Thai**, 102p, while **Jamaica Sugar** put on 2 to 20p and **Harrisons and Crosfield** 13 to 900p.

A dull market last Friday in response to adverse Press comment, Shippings perked up *yesterday.* **P. and O. Deferred** were well supported and closed 5 dearer at 83p, while a revived speculative interest left **Furness** *Withy* similarly better at 217p.

Trusts and Financials firmed throughout. **Dualvest Capital** advanced 5 to 122p as did **Lampa Securities** to 56p.

Despite Press comment on the current recession gripping the industry, Textiles generally gained *ground on small buying in a* market short of stcok. **Courtaulds** did well, rising 5 to 121p. Improvements of 2 were seen in *Nova (Jersey), 11p,* **William Reed**, 24p, **Stoddard "A,"** 22p, and **Youghal Carpets**, 63p.

News of the company's fresh *round of tobacco price increases* helped **Imps** firm 2 to 67p. **Bats** closed 8 higher at 278p following persistent small buying in a mar*ket short* of stock.

Guthrie firmed 11 to 154p in otherwise little changed Rubbers. In Teas, **Catel Trust**, 3½p, and **Clairmace**, *58p,* were marked ½ and a penny higher respectively following week-end Press comment.

Golds react

It was a quiet day in Mining *markets. Gold shares opened on* a firmer note following the improved morning fixing of bullion and higher transatlantic *markets on Friday.*

But the subsequent downturn in the metal price to $161.70 at the afternoon fixing prompted scattered offerings of stock including some on U.S. account and thus share prices ended with mixed fortunes. The Gold Mines index was 1.6 up at 352.6 while bullion rallied to close 25 cents up on balance at $162.125 per ounce.

Venterspost ended 10 lower at 780p after 810p and **West Drie.** were a half-point down at £22½. **Kinross**, however, held on to a 25 gain at 705p.

Financials were undecided with the London-based issues reflecting the renewed firmness of the U.K. Industrial market, while overseas stocks were unsettled by the late decline in Golds. **Charter** rose 4 to 178p while **Anglo American** fell 5 to 435p.

In an untested Platinum section **Bishopsgate** were unaltered at 107p in front of the news that **Impala Platinum** has resumed quarterly dividend payments. **Union Corporation** remained at 525p.

Reflecting higher home markets in Sydney and Melbourne overnight in front of to-day's Federal Budget, Australian issues were quietly firm at the opening but they later gave ground owing to lack of follow-through coupled with a modest reaction in the investment dollar premium. Profit-taking following the recent advance to record levels took 40 from *Pancontinental* at *580p.*

In Coppers, **Messina** (350p) were suspended at the company's request. **ZCI** fell to 30p before *ending 2 off on balance at 32p* following news that no final dividend is to be declared for the past year to June 30.

Elsewhere, Globe and Phoenix eased 3 to 43p on the results. **Northgate** firmed 3 to 280p, prospecting news outweighing the *effect on the share price of the* second quarter loss.

FINANCIAL TIMES STOCK INDICES

—	Aug. 18	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	A year ago
Government Secs	60.72	60.31	60.02	60.28	60.16	59.52	53.28
Fixed Interest	60.63	60.42	60.26	60.10	59.93	59.54	53.58
Industrial Ordinary	303.7	292.7	295.1	294.6	290.0	283.5	199.8
Gold Mines	352.6	351.0	363.3	356.6	356.7	352.9	376.7
Ord. Div. Yld. %	6.82	7.06	7.05	7.00	7.10	7.26	9.85
Earnings Yld. % (full) (a)	19.69	20.39	20.53	20.21	20.49	20.95	26.42
P/E Ratio (net) (a) (b)	7.25	7.00	7.02	7.06	6.96	6.81	5.39
Dealings marked	4,152	3,811	3,664	4,185	4,308	4,478	7,389
Equity turnover £m	—	36.18	36.45	44.68	52.69	31.07	33.62
Equity bargains total	—	8,766	10,151	11,325	11,322	9,625	12,915

10 a.m. 295.2. 11 a.m. 295.6. Noon 298.0. 1 p.m. 301.2. 2 p.m. 303.6. 3 p.m. 303.5.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=7.20.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold *Mines 12/9/55.* S.E. *Activity July-Dec. 1942.*

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.16 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.65 (3/1)	150.4 (28/11/47)	50.55 (3/1/75)
Ind. Ord.	365.5 (6/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.5 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 18	Aug. 15
Daily—		
Gilt-Edged	221.8	180.2
Industrials	121.4	112.9
Speculative	32.0	31.4
Totals	94.5	86.7
5-day Average—		
Gilt-Edged	154.2	165.1
Industrials	125.8	130.6
Speculative	35.9	40.0
Totals	91.1	92.6

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity Groups	Mon. Aug 18 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Fri. Aug 15 Index No.	Thurs. Aug 14 Index No.	Wed. Aug 13 Index No.	Tues. Aug 12 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	107.47	+2.2	21.40	7.52	6.96	6.95	105.13	105.84	105.64	104.71	73.70	131.36 (6/6)	51.78 (6/1)	206.37 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	95.32	+3.1	18.24	8.31	8.28	8.27	92.44	93.00	92.44	91.64	72.16	117.40 (22/4)	45.11 (6/1)	235.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	181.01	+3.3	19.97	5.05	7.54	7.54	175.37	176.43	174.95	172.49	114.00	261.61 (23/4)	74.74 (6/1)	389.33 (12/5/72)	71.48 (12/12/74)
4	Electricals (17)	206.51	+3.6	19.73	5.61	7.45	7.44	199.37	201.18	200.99	198.84	136.58	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	126.11	+1.7	27.06	8.61	5.64	5.64	124.00	125.40	126.20	123.71	86.41	159.79 (22/4)	64.39 (2/1)	202.57 (8/8/73)	64.39 (2/1/75)
6	Engineering (General) (64)	92.46	+0.9	23.40	8.90	6.31	6.31	91.62	92.02	92.11	91.71	62.24	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	37.85	+0.1	20.60	10.88	8.86	8.86	37.81	38.17	37.84	37.86	27.20	48.98 (20/6)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	95.28	+0.5	26.50	8.13	5.86	5.86	94.85	95.66	95.51	94.41	67.01	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	83.03	+1.3	21.75	7.41	6.71	6.70	81.94	81.63	82.35	81.48	58.67	93.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	98.37	+1.7	20.05	5.40	7.38	7.37	96.70	95.79	97.52	95.78	64.82	106.54 (6/6)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (15)	124.96	+1.4	21.38	8.20	6.81	6.81	123.24	123.60	123.19	122.24	98.29	146.90 (23/4)	64.53 (6/1)	265.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	43.10	+0.6	25.24	10.82	5.69	5.66	42.87	43.00	42.92	42.89	32.44	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	124.44	+2.9	16.11	6.78	8.97	8.91	120.91	121.65	121.52	119.11	78.35	146.46 (6/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	139.41	+3.2	14.28	7.29	10.59	10.59	135.06	135.36	136.99	133.73	89.36	163.83 (6/6)	75.58 (6/1)	281.87 (29/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	137.21	+3.4	14.18	7.39	10.64	10.64	132.73	132.72	134.36	131.62	101.81	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	140.79	+2.2	14.49	7.90	10.70	10.14	137.77	138.18	137.66	136.07	79.33	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	137.30	+3.2	14.95	5.81	9.19	9.16	133.07	133.87	132.07	127.43	78.91	156.57 (6/6)	62.08 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	*Food Retailing (16)*	123.89	+3.0	12.71	5.21	11.47	11.47	120.23	120.48	120.46	117.36	71.95	149.17 (4/6)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	118.52	—2.7	17.32	8.20	8.80	8.80	121.76	121.56	118.88	117.58	95.81	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	65.08 (6/1/75)
20	Packaging and Paper (13)	83.38	+2.9	26.48	8.82	5.64	5.64	81.03	81.71	81.24	80.33	58.99	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (31)	107.90	+5.0	13.37	6.06	11.36	11.36	102.75	104.25	104.86	102.77	65.16	132.94 (20/5)	52.65 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	126.99	+3.0	27.38	8.43	4.41	4.31	123.31	123.27	123.28	124.33	91.28	145.07 (27/6)	68.91 (6/1)	253.72 (17/9/68)	68.66 (11/12/74)
23	Tobacco (3)	177.24	—0.5	19.12	7.60	7.96	7.96	178.11	178.75	177.28	175.30	114.45	199.16 (10/3)	109.98 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.23	—0.5	33.22	8.78	4.17	4.17	41.02	41.16	41.16	40.89	30.90	44.08 (6/6)	20.92 (6/1)	135.72 (18/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	162.66	+2.5	21.36	5.64	6.71	6.70	158.77	160.18	160.59	157.44	100.09	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	73.40	+4.2	19.04	7.10	7.28	7.28	70.45	70.85	71.48	70.50	68.46	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	313.35	+1.9	27.42	7.66	4.70	4.55	307.65	312.11	317.60	317.90	240.54	401.84 (10/3)	194.36 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	124.62	+2.2	21.64	8.02	6.76	6.75	121.89	123.36	123.33	121.00	88.11	153.58 (6/6)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	120.62	+2.6	19.02	6.92	7.62	7.59	117.59	118.39	118.44	116.50	79.67	143.45 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	288.67	+1.5	25.49	5.26	4.21	3.92	284.51	287.41	287.70	283.61	150.30	296.47 (4/6)	105.83 (2/1)	451.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	134.48	+2.4	20.09	6.65	6.72	6.57	131.35	132.32	132.39	130.26	86.70	156.14 (6/6)	65.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	116.92	+2.2	—	6.14	—	—	114.02	115.25	115.28	114.20	80.01	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	138.15	+3.4	22.40	5.75	6.71	6.71	133.58	135.29	136.65	134.10	95.58	177.11 (6/6)	62.56 (2/1)	288.32 (2/1/72)	62.44 (12/12/74)
34	Discount Houses (9)	136.19	-0.5	—	8.88	—	—	135.45	135.45	135.45	135.45	102.65	169.27 (7/3)	84.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	84.48	—1.1	29.54	10.73	4.50	4.12	85.39	87.28	85.79	86.53	75.12	134.59 (10/3)	42.81 (6/1)	433.73 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	104.05	+2.3	—	6.56	—	—	101.68	103.00	100.86	99.60	62.56	127.97 (25/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	94.77	+2.8	—	6.97	—	—	92.22	93.56	93.08	92.42	54.54	123.90 (30/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	181.64	+0.7	11.20	4.70	13.27	13.27	180.37	179.41	178.77	178.77	107.74	211.50 (30/6)	68.96 (7/1)	262.57 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (19)	79.10	+0.8	—	6.93	—	—	78.46	79.56	79.92	79.04	62.09	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	140.99	+0.5	5.22	4.25	28.13	27.08	140.26	140.53	141.53	142.18	121.78	241.29 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	60.92	+0.6	18.57	10.92	7.94	7.85	60.58	61.26	61.94	59.91	54.56	75.79 (23/4)	34.76 (10/1)	305.15 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	143.47	+1.0	3.46	4.92	28.91	28.89	141.99	142.64	141.98	139.76	95.41	178.63 (6/6)	73.48 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	130.33	+2.3	—	6.45	—	—	127.44	128.44	128.46	126.56	84.47	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (10)	404.40	-1.6	13.91	8.16	10.45	10.38	398.19	400.39	395.45	395.45	301.04	525.43 (23/5)	281.66 (2/1)	556.37 (23/7/73)	84.66 (25/6/66)
45	Teas (10)	101.45	—	35.76	10.29	3.90	3.72	101.45	101.87	101.87	101.87	72.53	104.15 (18/7)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	*Coppers (3)*	368.09	—2.2	53.35	20.52	1.87	1.87	376.34	379.50	378.54	376.34	375.71	467.74 (27/6)	349.62 (22/7)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	122.87	+0.3	10.00	4.31	10.99	10.99	122.24	122.98	123.00	122.10	89.46	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	83.98	—0.4	12.14	9.87	10.61	9.11	84.35	85.60	86.55	86.77	70.68	114.49 (3/6)	58.91 (6/1)	126.43 (13/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	199.55	—0.1	17.40	4.96	7.35	7.35	199.71	201.87	203.65	201.27	—	252.23 (20/5)	97.37 (6/1)	262.23 (20/6/75)	97.37 (6/1/75)

	FIXED INTEREST	Mon. Aug 18 Index No.	Mon. Aug 18 Yield %	Friday August 15	Thurs. August 14	Wed. August 13	Tuesday August 12	Monday August 11	Friday August 8	Thurs. August 7	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.02	14.10	14.20	14.09	14.09	14.28	14.17	14.26	16.18	—	—	—	—
2	20-yr. Govt. Stocks (6)	50.24	‡12.96	50.08	49.88	50.12	50.09	49.57	49.63	49.43	44.44	53.09 (20/5)	38.27 (3/1)	115.42 (11/9/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.67	‡15.46	47.52	47.52	47.48	47.48	47.73	47.89	47.89	42.45	50.68 (21/5)	37.01 (3/1)	113.43 (23/10/65)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	46.62	14.83	46.53	46.48	46.35	45.98	45.98	46.70	46.70	40.36	47.30 (29/7)	35.35 (3/1)	114.41 (15/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	67.20	14.01	66.90	66.97	66.63	66.63	66.58	67.51	67.47	55.01	68.02 (6/8)	48.35 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	‡ Redemption yield.		

FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an *IBM 370 computer.*

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. *Foreign 22p.*

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	16	259	+ 5	302	118
Unilever	25p	13	365	+15	408	170
Beecham	25p	9	283	+ 9	310	116
GEC	25p	9	121	+ 6	133	51
Shell Transport	25p	9	323	+ 5	343	118
Distillers	50p	8	112	+ 5	150	65½
Glaxo	50p	8	350	+10	427	198
Howard Mc. 'New'	Nil/pd.	8	5½*	+ 2	5½*	½*
Marks & Spencer	25p	8	102	+ 6	128	47½
Metal Box	£1	8	224	+ 9	288	109½
Barclays Bank	£1	7	255	+ 5	325	112
Boots	25p	7	111	+ 4	138	45½
Bowater	£1	7	150	+ 6	175	50
"Bats"	25p	7	278	+ 8	338	164
BP	£1	7	517	+ 7	555	190

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (14)

BRITISH FUNDS (3)
Treas. 9pc 1977 Treas. 5pc '86 aft.
Fndg. 6½pc '99-2004
COM'WEALTH & AFRICAN LOANS (1)
S. Africa 5½pc '74-76
BANKS (1)
Bank Leumi (Israel)
BEERS (2)
Bulmer (H. P.) Glenlivet Distilleries
ELECTRICALS (2)
Racal Electronic Sangamo Weston
INDUSTRIALS (3)
Hepworth Ceramic 7½pc Conv. James (John) Pilkington
MOTORS, GARAGES (2)
British Leyland Pride & Clarke

NEW LOWS (2)

ENGINEERING (1)
Walmsley (Bury)
MINES (1)
Sungei Besi

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	42	1	11
Corpns. Dom. and Foreign Bonds	22	10	39
Industrials	416	168	1,169
Fin. and Prop.	153	58	405
Oils	7	1	25
Plantation	7	2	39
Mines	34	22	97
Recent Issues	24	11	34
Totals	705	265	1,819

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 19	Sep. 1	Nov. 11	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9
Sep. 16	Sep. 29	Dec. 9	Dec. 23

"Calls" were dealt in National Westminster Bank warrants, Lonrho, Slater Walker, MEPC and Cavenham warrants. No "puts" were reported, while "doubles" were arranged in National Westminster Bank warrants, Charterhall Finance and Capital and Counties.

Industrials							
A. P. Cement	15	Grand Met.	7	Slater Walker	9	Mines	
Assoc. Leisure	5	G.U.S. 'A'	17	Spillers	5	Anglo Amer.	50
Barclays Bank	25	Guardian	20	Tesco	6	Broken Hill Prp.	75
Beecham	28	G.K.N.	22	Thorn "A"	17	Charter Cons.	22
Boots Drug	12	Hawker Sidd.	27	Tube Invest's	24	Chart'ch'll Fin.	10
Bowaters	16	House of Fraser	8	Unilever	35	Cons Gold	22
B.A.T.	30	Hudson (Wilms	4	Utd. Drapery	10	De Beers Def.	35
British Leyland	1¼	I.C.I.	21	Vickers	13	F. S. Geduld	350
BOC Int.	5½	"Imps"	7	Woolworths	6	Great Boulder	12
Burton 'A'	9	I.C.L.	7	Property		Hampton Areas	15
Cadburys	6	Inveresk	7	Cap. Counties	4½	Hampton Prop.	4
Courtaulds	12	Legal & General	13	E.P.	8	Kloof	140
Debenhams	8	Lloyds Bank	22	Int. Europe	6	Lonrho	13
Distillers	13	"Lofs."	6	Land Securities	18	Lorraine	56
Dunlop	5½	"Mams"	6	Peachey	6	Metals Explor.	8
Eagle Star	13	Marks & Sp'ncer	11	Town & City	4½	Poseidon	55
E.M.I.	17	Midland Bank	25	Town & Comm.	4	Pres. Steyn.	275
First National	2	Nat'l West Bank	22			Rio T. Zinc	20
G.R.A. Trust	4	P & O Dfd.	10	Oils		Welkom	55
Gen. Accident	16	Plessey	8	Brit. Petroleum	46	West Areas	75
Gen. Electric	13	R.H.M.	6	Burma Oil	5	Western M'ng.	18
Glaxo	40	Rank Org. 'A'	17	Shell	30	Zambia Copp.	10
		Reed Int'l.	23	Ultramar	21		

BANKAMERICA FOR BRISTOL

BankAmerica Finance, the Reading-based finance subsidiary of Bank of America, opens a branch to-day in Clare Street, Bristol.

The new branch is managed by Mr. Russell Fell, 36.

MONEY MARKET

Interest rates decline

Bank of England Minimum Lending Rate 11 per cent.
(since July 25, 1975)

Short-term fixed period interest rates continued their recent downward trend yesterday. The one-*month sterling certificate yield* eased to 10¼-10⅛ per cent., from 10$\frac{5}{16}$-10⅜ per cent. on Friday, the two-month to 10⅞-10$\frac{5}{16}$ per cent., *from 10½-10⅜ per cent., and the* three-month to 10⅝-10½ per cent., from 10$\frac{11}{16}$-10⅝ per cent.

Day-to-day credit was in adequate supply in the London money market and the authorities absorbed surplus funds by selling a moderate amount of Treasury bills to the Discount houses and the banks.

Banks carried over full balances from Friday, Government disbursements exceeded revenue payments to the Exchequer and the market was also helped by further Savings 3 per cent. redemption money. On the other *hand* there was a net market take-up of Treasury bills, an increase in the note circulation, and settle*ment of gilt-edged sales.*

Discount houses paid 9-9¾ per cent. for secured call loans in the early part, but later funds were available at 7 per cent. in places, with closing rates in the region of 8¾-9 per cent. In the inter-bank market overnight loans ranged between 9 per cent. and 10 per cent.

Aug. 18 1975	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	9-10	—	—	—	10-10½	7-9⅝	—	—	—
2 days notice	—	—	9½-9¾	—	—	—	—	—	—	—
† 7 days or 7 days notice	—	9½-9⅞	9¾-10	—	—	—	9¾-10	—	—	—
One month	10¼-10⅛	10$\frac{5}{16}$-10$\frac{3}{16}$	10-10⅛	11-10½	10½-11¼	—	9⅞-10	10$\frac{5}{16}$-10¼	10⅜-10$\frac{5}{16}$	11¼-10⅞
Two months	10$\frac{7}{16}$-10$\frac{5}{16}$	10¼-10$\frac{5}{16}$	—	11-10⅝	10¾-11⅛	—	10-10⅛	10⅜-10$\frac{5}{16}$	10⅜	11¼-10⅞
Three months	10⅝-10½	10½-10⅝	10⅝-10⅝	11-10⅝	11-11⅛	—	10$\frac{5}{16}$-10¼	10½-10⅜	10⅝	11¼-11
Six months	10$\frac{5}{16}$-10$\frac{13}{16}$	10⅞-11	10¾-11⅛	11-10⅞	11¼-12	—	—	—	10⅞	11⅛
Nine months	11⅛-11	11$\frac{1}{16}$-11¼	—	11⅛-11	11½-12¼	—	—	—	—	—
One year	11⅜-11¼	11$\frac{3}{16}$-11⅜	11⅜-11¾	11⅛-11¼	—	—	—	—	—	—
Two years	—	—	12½-12⅝	12¼-11¾	—	—	—	—	—	—

* Local authority and finance houses seven days' notice: others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13-13½ per cent.; four years 13½-14 per cent.; five years 14-14½ per cent. ⊕ Bank bill rates in table are buying rate for prime paper; buying rates four-month bank bills 10⅝-10$\frac{9}{16}$ per cent.; and four-month trade bills 11¼-11⅛ per cent. Approximate selling rates for one-month Treasury bills 10$\frac{5}{16}$-10¼ per cent.; two-month 10$\frac{5}{16}$ per cent.; three-month 10$\frac{11}{32}$-10¼ per cent. Approximate selling rates for one-month bank bills 10¼-10⅛ per cent.; two-month 10$\frac{5}{16}$ per cent.; and three-month 10⅜ per cent.; for one-month trade bills 10$\frac{13}{16}$ per cent.; two-month 10⅞ per cent.; and three-month 10$\frac{9}{16}$ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1. Clearing Bank *Deposit Rates for small sums at seven days' notice 8½ per cent. Clearing Banks Base Rates for lending 10 per cent. Treasury* Bills: Average tender rates of discount 10.4215 per cent.

BASE LENDING RATES

AFI International	10 %
Allied Irish Banks Ltd.	10 %
Anglo-Portuguese Bank	10½%
Henry Ansbacher	10½%
Banco de Bilbao	10 %
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10½%
Barclays Bank	10 %
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	10 %
Co-operative Bank	*10 %
Copleys Bank	11½%
Corinthian Securities	10 %
Credit Lyonnais	10 %
G. R. Dawes	11 %
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	10 %
■ Antony Gibbs	10½%
Goode Durrant Trust	10 %
Greyhound Guaranty	10 %
Grindlays Bank	10½%
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Industrial Bank of Scot.	10 %
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Knowsley & Co. Ltd.	11½%
Lloyds Bank	10 %
London & European	11½%
London Mercantile	11½%
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Northern *Comm. Trust*	10½%
Norwich General Trust	10½%
Portman Guaranty	11 %
P. S. Refson & Co.	10 %
Rossminster Accept'cs	10 %
Royal Trust of Canada	11 %
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11½%
Shenley Trust	11½%
Standard & Chartered	10 %
Sterling Credit	12 %
Thames Guaranty	11 %
Trade Development Bk.	10 %
Twentieth Century Bk.	11½%
United *Bank of Kuwait*	10 %
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10½%
Williams and Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

CORAL INDEX
Close 301-306

I.G. INDEX
GOLD 160½-163½

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	8½%

† Address shown under Insurance and Property Bond table.

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AUTHORISED UNIT TRUSTS

[illegible]

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	1975 Low	Stock	£	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅞	94 15/16	Exch 6½pc 1976‡‡	98¼xd	.....	6.61	9.49
97¼	92 7/16	Treasury 6½pc 1976‡‡	97 1/16xd	+1/16	6.70	9.65
99	97	Victory 4pc 1976‡‡	99xd	.....	—	—
102	96⅞	Treasury 10½pc 1976‡‡	99 15/16	−1/32	10.53	10.67
95¼	88⅞	Treasury 6¼pc 1977‡‡	95 3/32xd	.....	6.57	9.69
94⅝	86¼	Electric 3pc 74-77	94⅝xd	.....	3.17	6.67
103 5/16	96⅞	Treasury 11½pc '77‡‡	100⅜	.....	11.45	11.24
88½	84	Treasury 3pc '77‡‡	88½	+1/16	3.39	8.74
90⅛	84⅜	Transport 4pc 72-77	90⅛	.....	4.44	8.75
96 11/16	90½	Treasury 9pc 1978‡‡	94 11/16xd	+1/32	9.54	11.63
100 3/16	96 1/16	Treasury 10½pc '78‡‡	97 11/32	+1/32	10.79	11.57
87⅛	79	Exchequer 5pc '76-78‡‡	86¾	+¼	5.76	10.06
103	94 7/16	Treasury 11½pc '79‡‡	99⅜xd	+1/16	11.57	11.74
79⅜	71⅜	Treasury 3pc '79‡‡	78 7/16xd	.....	3.82	9.50
81	73⅞	Electric 4¼pc 74-79	80¾	+⅛	5.26	10.08
100 3/16	94 15/16	Treasury 10½pc '79‡‡	96⅛	+⅛	10.92	11.65
79½	71	Electric 3½pc 76-79	79½	.....	4.40	9.46
95	84	Treasury 9pc 1980‡‡	90 13/16xd	.....	9.91	11.67
95 3/16	91	Treasury 9½pc '80‡‡●	91¼	.....	10.41	11.96
79	68¾	Treasury 3½pc '77-80	76⅞	+⅛	4.55	9.59
84½	71	Funding 5¼pc '78-80‡‡	82½	+¼	6.36	9.89
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	75	+¼	4.67	9.44
91⅛	72⅝	Do 8½pc '80-82‡‡	86¼	+¼	9.95	11.78
104⅜	86⅝	Treasury 12pc 1983‡‡	97½xd	+¼	12.19	12.34
78	58	Funding 5½pc '82-84‡‡	74	+⅛	7.48	10.28
85¼	61⅞	Treasury 8½pc '84-86‡‡	81½	+¼	10.46	11.69
73¼	51⅜	Funding 6½pc '85-87‡‡	70¾	+¼	9.45	11.38
76¼	53	Treasury 7¾pc '85-88‡‡	72⅜	+¼	10.78	12.19
47¼	32⅞	Transport 3pc '78-88	45¾	+⅛	6.61	11.05
56⅜	39¾	Treasury 5pc '86-89	55½	+¼	9.30	11.78
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc 87-90‡‡	70⅞	+¼	11.89	12.92
57⅛	41⅜	Funding 5¾pc '87-91‡‡	56⅛	+¼	10.65	12.52
94½	94⅛	Treasury 12¾pc '92‡‡●	94⅜	.....	13.57	13.68
97½	85⅞	Treasury 12½pc '93‡‡	91¾	+⅜	13.81	13.94
55⅛	40½	Funding 6pc 1993‡‡	51⅛xd	+¼	11.63	13.03
75¼	54⅛	Treasury 9pc '94‡‡	70½	+¼	13.20	13.71
34⅞	24¾	Gas 3pc '90-95	33¾	+⅛	9.13	11.90
102	75	Treasury 12¾pc '95‡‡	94⅝	+¼	13.97	14.03
71½	54¾	Treasury 9pc '92-96‡‡	66⅞xd	+¼	13.32	13.79
33½	26½	Redp. 3pc 1986-96	33⅛	+⅛	9.38	11.82
95¼	93¼	Treasury 13¼pc '97‡‡	95⅛	+⅜	14.11	14.14
69⅛	53¼	Treasury 8¾pc 1997‡‡	65xd	+¼	13.40	13.81
59⅞	40¾	Treasury 6¾pc '95-98‡‡	54	+¼	12.99	13.63
75⅛	54¼	Treasury 9½pc 1999‡‡	70¾	+¼	13.60	13.85
29⅞	22	Funding 3½pc '99-04	29⅝	+⅛	11.95	12.82
61⅞	47	Treasury 8pc '02-06‡‡	61⅜	+¼	13.64	13.78
43¼	33	Treasury 5½pc '08-12‡‡	40½xd	+¼	13.47	13.62
59½	43⅛	Treasury 7¾pc '12-15‡‡	56⅝	+¼	13.81	13.85
		Undated				
29¾	22⅛	Consols 4pc	28⅛	+⅛	14.32	—
27¾	20⅛	War Loan 3½pc‡‡	25⅞	+⅛	13.93	—
27½	22⅜	Conv. 3½pc '61 Aft.	27	+⅛	13.64	—
22⅜	17½	Treasury 3pc 66 Aft.	22⅜	+⅛	14.11	—
18⅜	14¼	Consols 2½pc	18⅛	+⅛	14.03	—
18⅝	14¼	Treasury 2½pc	18⅜	+⅛	14.35	—

**INTERNATIONAL BANK

1975 High	1975 Low	Stock	£	+ or −	Yield Int.	Yield Red.
68	58	5pc Stock '77-82	65¼xd	+¼	7.68	12.65
97¼	91½	8pc Stock 1976	96½	+¼	8.29	11.96

**CORPORATION LOANS

1975 High	1975 Low	Stock	£	+ or −	Yield Int.	Yield Red.
87	80¼	Birm'ham 9¾pc '79-81	85½	.....	10.86	12.92
92½	87	Bristol 6½pc '75-77	92¼xd	+¼	7.05	12.46
89¼	82¾	Essex 5½pc '75-77	88¼	−½	6.24	12.75
96	90	G.L.C. 6¾pc 1976	95¾xd	+¼	7.05	11.43
91½	85	Do 7¼pc 1977	91	+¼	7.97	12.48
99⅜	92½	Do 12½pc '82	97½	+½	13.37	13.69
75¼	63	Herts. 5½pc '78-80	71¼	.....	7.32	13.46
90¾	83½	Liverpool 7pc '76-77	89¾	−¼	7.79	12.83
89½	71	Do 9½pc '80-84	86½	+½	11.65	12.84
23½	17¼	Do 3½pc Irred.	23¼	.....	15.39	—
86	77¼	Lon. Corp. 6½pc '75-78	84½	.....	7.43	12.92
81	66½	Do 9¾pc '84-85	80¼	+¼	12.06	13.54
87	78¾	L.C.C. 6pc '75-78	85½	+¼	7.01	13.03
72½	59½	Do 5½pc '77-81	68½xd	.....	8.05	13.08
64	48	Do 5½pc '82-84	60¾	.....	9.16	13.23
58½	40¼	Do 5½pc '85-87	53	+¼	10.62	13.88
60½	42	Do 6¾pc '88-90	57	+½	12.08	13.70
21¾	15¾	Do 3pc '20 Aft	20¼	.....	14.74	—
88¼	82¼	Middx. 6¼pc '75-77	87¼	.....	7.16	12.84
77	64¾	Do 5½pc 1980	72½	.....	7.25	13.53
89½	76	Newcastle 9¾pc '78-80	84xd	.....	10.94	13.58
101⅝	98	Warwick 12½% 1980	100	+½	12.88	13.27

COMMONWEALTH & AFRICAN LOANS

1975 High	1975 Low	Stock	£	+ or −	Yield Int.	Yield Red.
95½	89¼	**Aust 6pc '74-76	95½	+¼	6.42	12.23
85⅛	76¼	**Do 5½pc '75-78	82½	+¼	6.84	13.39
77¼	66½	**Do 5½pc '77-80	74¾	.....	7.41	13.56
69⅜	58⅜	**Do 5½pc '81-82	68½	+½	8.50	13.28
60⅝	52¼	**East Afr 5¾pc '77-83	60⅝	−¼	9.67	14.63
85⅝	77⅛	**Jamaica 7pc '76-78	82⅜xd	−¼	8.46	14.26
61⅞	52½	**Kenya 5pc '78-82	60½xd	−¼	8.16	14.31
79½	71¼	**N.Z. 4pc 1976-78	78½	+¼	5.14	12.38
78½	68¾	**Do 6pc '76-80	75½xd	+¼	7.94	13.34
69¾	54¼	**Do 7½pc '83-86	65¼	+¼	11.62	13.97
75¼	63½	**Sth. Rhd 6pc '78-81	75¼	+¼	7.99	12.43
73¼	62	**Nyasa 6pc '78-81	73¼	+¼	8.20	13.06
96	89	**Sth. Afr 5½% '74-76	96	+2	5.72	11.32
88	78	**Do 9½pc '79-81	87		11.29	13.31

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 37¼% (based on $2.1077 per £)

CANADIANS

S.E. List Premium 37¼% (based on $2.1910 per £)

Conversion factor 0.6333 (0.6325)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, Etc.

[illegible]

TRUSTS—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¾	800	Durban Deep R1	950	......	‡Q110c	ф	‡
£14	860	E. Rand Prp. R1	975	......	‡Q115c	ф	‡
105	55	Rand Leases 20c	56	+1	—	—	—
£34½	£22	Randf'tn Est. R2	£26¾	......	—	—	—
500	260	West Rand R1	295	......	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	284	+4	†Q51c	1.1	11.3
23	13	Daggafontein 50c	16	......	—	—	—
105	60	East Dag. R1	63	......	‡Q25c	ф	‡
140	140	Grnt. Areas 5c	140#	......	—	—	—
380	210	Grootvlei 30c	250	+5	‡Q52c	1.1	‡
820	410	Kinross R1	705	+25	†Q50c	1.5	4.4
198	107	Leslie 80c	114	+2	†Q22c	1.6	12.1
550	305	Marievale 70c	310	+5	‡Q84c	1.1	‡
725	360	S. African Ld. 35c	485	−5	‡Q85c	1.2	‡
265	165	Vlakfontein R1	176	+3	Q35c	1.3	12.7
£13¾	640	Winkelhaak R1	£11¼	+⅛	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	83	+1	Q1c	10.9	0.8

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25	855	−5	Q100c	ф	7.3
£21½	£17	Buffels R1	£19¾	......	Q180c	ф	5.7
430	293	Deelkraal R0.20	385	......	—	—	—
£14¼	920	Doornfontein R1	£10⅝	+⅛	Q110c	ф	6.7
£12¾	725	East Drie R1	£10¼	−⅛	Q65c	ф	4.0
£12½	725	Do. Comb. Units	£10⅛	......	—	—	—
450	295	Elsburg R1	360	+5	Q45½c	—	7.9
£31	£16	Hartebeest R1	£25¼	......	Q215c	ф	5.3
£13¼	815	Kloof Gold R1	£10¼	+⅛	Q55c	ф	3.4
£17¼	875	Libanon R1	£10⅛	−⅛	Q110c	ф	6.8
£13¼	960	Southvaal 50c	£11½	......	Q9c	0.9	0.5
480	335	Stilfontein 50c	340	......	‡Q65c	1.3	‡

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	56	Botswana RST P2	70	......	—	—	—
390	196	Messina R0.50	350#	......	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	52½	......	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	690	......	‡Q130c	2.2	‡
53½	29½	Laurasia	42½	−1	—	—	—
19	11	NKD $1	12	−1	—	—	—
375	200	Northgate C$1	280	+3	Q65c	1.0	10.0
211	80	R.T.Z.	171	+2	4.97	4.4	4.5
135	36	Sabina Inds. C$1	36	......	—	—	—
81	51	Stanford Mines ||	68	......	—	—	—
£12½	875	Tara Expln. $1	£10¼	......	—	—	—
78	38	Yukon Cons C$1	66	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ⁑ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ◊ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES

Tuesday August 19 1975

AUEW calls for action on jobless

By John Elliott, Labour Editor

ENGINEERING UNION leaders have stepped up their opposition to the Government's present economic policies in readiness for debates at the annual Trades Union Congress which meets in Blackpool in two weeks' time.

The final agenda for the Congress is published this morning and shows that the Amalgamated Union of Engineering workers, already in the forefront of attack on the Government's £6 a week pay policy, has tabled an eight-point plan of action on unemployment for the Government and trade unions.

It calls on the Government to control the export of capital and cut arms expenditure, to raise consumption by increasing wages and public expenditure, to extend public ownership, and to direct industry to low employment areas.

Trade unions are urged to ward off large-scale unemployment with "maximum solidarity action with all affected workers," a shorter working week and longer holidays, reduction in overtime, and a rejection of voluntary redundancies.

These points have been tabled by the AUEW to stiffen a basically pro-Government resolution from the General and Municipal Workers Union. It stands alongside a selection of other resolutions on economic affairs, including one from the Association of Scientific, Technical and Managerial Staffs opposing all statutory interference in wage bargaining.

These resolutions will now be merged for the Congress into one or two which back the Government and one or two in opposition. In addition the TUC's policy document published yesterday which embraces the £6 limit will also be put to the Congress and, despite the heavyweight intervention of the AUEW, is still likely to be approved by about 6m. to 3m. votes.

But by the time the Congress opens, attention may have been diverted to the position of Left-winger Mr. Reg Birch who has been nominated by his union, the AUEW, for membership of the TUC general council in place of Mr. John Boyd, the Right-wing new general secretary of the union.

A significant number of *unions are now considering* registering their disapproval of the AUEW allowing its internal political in-fighting to lead to Mr. Boyd being replaced by Mr. Birch.

As a result, they may vote for an alternative candidate from the Patternmakers and Allied Craftsmen

'Blatant overspending by Government'

BY ANTHONY HARRIS

THE PUBLIC expenditure figures for July, shown in the official figures for Consolidated Fund and Supply Service expenditure are much worse than comment to date—some of it "inspired" from Whitehall—has suggested, according to stockbrokers W. Greenwell and Co.

Properly interpreted, they claim, the figures show that cash disbursement in the first four months of this year were 50 per cent. higher than in the same period a year earlier.

"There *is no excuse for such* an increase" Greenwells say. "It is blatant overspending"

The attack by Greenwells is based on two points which have not hitherto come to light.

The most important is that the Consolidated Fund figures include a provision — no less than £470m. in July — for expenditure which was not provided for in the Supply votes by Parliament, *and for which no supplementary* estimate has yet been presented. This reflects the extent to which spending, mainly because of inflation, has already outrun the official estimates presented with the Budget.

This is much the biggest factor explaining why Consolidated Fund expenditure in July showed an increase which was £638m. more than the £1.9bn. rise in supply service expenditure, the figure on which most comment has been based.

% growth of Consolidated fund expenditure over same period 12 months earlier

	Unadjusted	Adjusted
July 1975	45	56
June-July	42	49
May-July	43	49
April-July	45	50
January-July	38	40

"Analysis should be based on Consolidated Fund expenditure rather than supply service expenditure." Greenwells claims.

The brokers have also made a further adjustment—carried forward from their earlier comments on public expenditure—to take account of the Government loans made to the building societies last year, which for reasons of administrative convenience were shown in the accounts as Government expenditure rather than as a loan.

This distortion, makes last year's expenditure appear higher than it was, and thus tends to produce understated figures for the underlying growth of regular public sector expenditure.

The adjusted and unadjusted figures for the growth of Consolidated Fund expenditure on these two bases is shown in the accompanying table.

Greenwells further point out that expanded outlays from the National Insurance fund on account of rising unemployment are not included in the accounts for Consolidated Fund expenditure, so that there may be a further undeclared growth in public outlays.

In past bulletins, Greenwells have stressed that the monthly figures for cash outlays in the public sector are subject to large fluctuations, and must therefore be interpreted with caution.

They have also pointed out that the growth of expenditure would be higher in the early months of the current year than later in the year if official expectations of a slowing of the inflation rate were borne out, *and as a result more recently of* the £6 pay limit.

"These figures are bad, but perhaps they represent a last fling," said a Greenwells partner last night. "But there is no sign yet that spending is under control."

High jobless forecast, Page 7

Yard to probe casino loss

BY MICHAEL THOMPSON-NOEL

SCOTLAND YARD'S Fraud Squad has been asked to investigate losses put at around £500,000 within the Curzon House Group casino subsidiary of J. Coral Holdings, the publicly quoted gambling and leisure combine.

After an emergency Board meeting yesterday, the Coral directors said: "Certain internal reporting irregularities have been discovered in the company's casino division and the Fraud Squad has been asked to undertake an investigation."

Week-end reports that the sum involved was between £5m. and £10m. were denied. The Coral share price closed 5p down at 91p after an initial fall of 8p.

Coral's official statement yesterday said the Board was satisfied that its £4.53m. trading profit for 1974 and its record £3.59m. before tax for the first half of this year "are not overstated and would only have been *improved had the incident under* inquiry not taken place."

Until the Fraud Squad's inquiries were completed, said the Board, the amount involved could not be determined

The directors said they were "satisfied that the nature of the irregularities is such as to have little or no adverse effect on current or future profits, or liquidity, nor is it expected that the company will suffer any abnormal increases in its liabilities." The Gaming Board has been informed of the situation.

The most embarrassing mystery for the Coral directors lies in determining the period over which the alleged losses occurred. A Board member said: "It could have been a period of from six months to three years."

Security issue

Asked about its implications for the casino division's security, surveillance and accounting procedures, he said: "We will not be able to tell until the Fraud Squad have made their report."

Coral's other main activities include betting shops, bingo halls, property and leisure.

Although profits on the casino *side have fluctuated considerably,* this has in the past been attributed to adverse runs of misfortune at the tables. Last night the company was reluctant to forecast the degree to which "irregularities" had contributed to the pattern.

The Coral casino division was bought in November, 1971, for £8m. At that time a Coral spokesman described gaming as "a strict financial operation: not so much boobs and bunny girls, more chartered accountants and security."

The company spent £1m. on restoring Crockford's Owen Jones interior and launched it with 18 parties over three weeks which disposed of 3,000 bottles of champagne, 1,800 lobsters, 3,600 lbs. of strawberries and raspberries and 3 cwt. of scampi.

But Crockford's took longer to reach profitability than had been expected. The Curzon House Group's pre-tax profit for 1972 was £2.44m. In 1973 this dipped to £1.6m. before recovering to £2m. pre-tax last year on a turnover of £8.8m.

In reviewing the first six months of 1975, the Coral Board said last month: "The casino division, while trading profitably, has been somewhat disappointing as compared with the previous year."

Part of the wider background to Coral's decision to call in the Fraud Squad is the Gaming Board's known concern at the amount of cheating in British casinos. In April Sir Stanley Raymond, the Gaming Board chairman, described 1974 as "the year of the cheat."

UDA plans poll–but 'summit' unlikely

By Giles Merritt

BELFAST, August 18.

THE CHANCES of a top-level "summit" between Ulster's warring paramilitary organisations, called for yesterday by the Official IRA, to-day seemed slim.

The two main Loyalist private armies, the Ulster Defence Association and the Ulster Volunteer Force, have greeted the initiative with lukewarm enthusiasm. But the two most militant Republican groups in the Province have made it plain that they have no intention of taking part in such talks.

The summit meeting was suggested 24 hours ago by the Belfast command of the Official IRA as the only way of ending the spiral of sectarian reprisals that by the week-end had claimed 11 lives and more than 200 casualties in seven days.

The UVF was first to reply to the move with a statement that it remained suspicious of the idea, but did not flatly turn it down.

Survey

This morning the UDA announced that it is to conduct a door-to-door survey of *Loyalists before deciding* either way.

Though the Province to-day enjoyed its third successive day of relative peace, the UDA plan to conduct an opinion poll makes it impossible for an immediate summit capable of ending Ulster's latest terror crisis.

Its statement, however, came after UDA leaders had met with their counterparts in the Ulster Freedom Fighters, an outlawed and highly militant group that is reputedly an offshoot of the UDA, to discuss UFF threats to launch an major offensive.

The UFF has been threatening to call of its so-called truce and presumably join in the sectarian war, but it could be that the UDA's calm wait-and-see statement on the summit plan indicates that for the time being it has dissuaded the UFF from that course.

Weather

U.K. TO-DAY

MAINLY dry, some rain in West. Warm.

London, S.E. and E. England, E. Anglia

Mainly dry with sunny spells, becoming cloudy later. Wind variable becoming S., light. Max. 24C (75F).

Midlands, Cent. S., Cent. N., and N.E. England

Dry at first with bright or sunny spells, becoming cloudy with some rain. Wind S., light. Max. 22C (72F).

Channel Isles, S.W. and N.W. England, S. and N. Wales

Cloudy, occasional rain or drizzle, hill and coastal fog patches. Wind S.W., light or moderate. Max. 20C (68F).

Lakes, I. of Man, S.W. Scotland, Argyll, N. Ireland

Mostly cloudy, occasional rain or drizzle, hill and coastal fog patches. Wind S., light or moderate. Max. 18C (64F).

Borders, Edinburgh, Dundee, Glasgow, Cent. Highlands, N.W. Scotland

Bright or sunny intervals. Becoming cloudy, some rain. Wind S.E. light. Max. 17C (63F).

Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland

Sunny spells. Becoming cloudy later. Wind S., light. Max. 15C (59F).

Outlook: Rain at first over England and Wales otherwise showery with sunny periods.

Lighting-up: London 20.47, Manchester 21.01, Glasgow 21.19, Belfast 21.20.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alxndria.	S	29	84	Madrid	S	31	88
Amstrdm.	S	20	68	Manchstr.	F	19	66
Athens	S	30	86	Melbourne	R	17	63
Bahrain	S	35	95	Mexico C.	S	19	66
Barcelona	C	27	81	Milan	S	28	82
Beirut	S	29	84	Montreal	S	24	75
Belfast	C	18	64	Moscow	F	20	68
Belgrade	S	29	84	Munich	C	16	61
Berlin	C	21	70	Newcastle	C	16	61
Birmgham.	C	19	66	New York	C	26	79
Bristol	C	19	66	Oslo	S	18	64
Brussels	F	21	70	Paris	C	20	68
Budapest	S	26	79	Perth	C	16	61
B. Aires	S	13	55	Prague	S	22	72
Cairo	S	31	88	Reykjavik	C	12	54
Cardiff	F	18	64	Rio de J'o	S	26	79
Cologne	C	19	66	Rome	S	28	82
Copnhagn.	F	20	68	Singapore	C	30	86
Dublin	C	17	63	Stockholm	C	17	63
Edinb'gh	F	16	61	Strasb'rg	C	20	68
Frankfurt	F	19	66	Sydney	F	18	64
Geneva	R	19	66	Tehran	C	26	79
Glasgow	C	17	63	Tel Aviv	S	28	82
Helsinki	R	13	55	Tokyo	C	32	90
H. Kong	S	30	86	Toronto	S	20	68
Jo'burg	S	20	68	Vienna	C	22	72
Lisbon	S	27	81	Warsaw	F	24	75
London	S	23	73	Zurich	R	18	64
Luxembg.	C	19	66				

HOLIDAY RESORTS

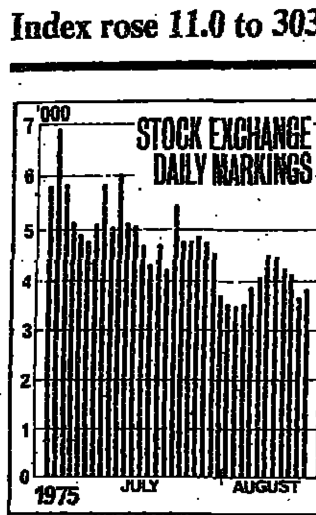
		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	28	82	Jersey	C	20	68
Algiers	F	30	86	Las Palmas	S	26	79
Biarritz	C	21	70	Locarno	S	26	79
Blackpool	S	19	66	Majorca	S	30	86
Bordeaux	F	24	75	Malaga	S	28	82
Boulogne	S	20	68	Malta	S	31	88
Casablnca.	S	26	79	Nairobi	C	18	64
Cape Town	S	20	68	Naples	S	29	84
Corfu	S	29	84	Nassau	S	31	88
Dubrovnik	S	26	79	Nice	S	27	81
Faro	S	28	82	Nicosia	S	29	84
Florence	C	23	73	Oporto	S	24	75
Funchal	S	24	75	Rhodes	S	29	84
Gibraltar	C	26	79	Salzburg	C	18	64
Guernsey	F	19	66	Tangier	S	30	86
Innsbruck	C	20	68	Tenerife	C	20	68
Inverness	C	11	52	Tunis	F	30	86
I. of Man	S	16	61	Valencia	S	28	82
Istanbul	S	26	79	Venice	S	24	75

S—Sunny. C—Cloudy. F—Fair. R—Rain.

THE LEX COLUMN

Corporations go longer

Index rose 11.0 to 303.7



The 30 Share Index topped the 300 *level at lunch time* yesterday and closed at its highest level for a month. But then it has crossed this mark in one direction or the other on 12 separate occasions in the last six months—so there cannot be much magic left in this particular round number.

Local borrowing

The City of Liverpool's £30m. loan is by far the biggest local authority offer since the £75m. GLC issue in April and it takes the total of corporation loans this year up to £156m., which is comfortably more than for the last two years combined. Indeed in the unreceptive market con*ditions of 1973 and 1974,* local authorities were steady net redeemers of listed securities; at the same time their longer-term borrowing from the Public Work Loan Board has increased less rapidly than total debt. The result has been a sharp increase in borrowing of less than a year; this has risen from 18.1 per cent. of new debt issues in 1972-73 to 30.7 per cent. in the last financial year, with the proportion over 10 years dropping from 17.7 per cent. to under 2 per cent.

Consequently, some local authorities have come up near to the 20 per cent. limit for their ratio of debt of under a year to the total outstanding. So *there has been an understand*able move to switch the average debt maturity longer in the last few months—even if only to the 1980 to 1982 range applying to all the recent corporation loans.

Local authorities are, however, finding it relatively more expensive to borrow than a few years ago. The recent debate about the need for tighter controls on council spending and this year's events in New York have resulted in a widening of the yield differential over gilts. Whereas in the early 1970s the margin was often a £1, or even 50p in some cases, the gap is now over £1.50—and there has been a widening up to around £2 since the GLC issue flopped. *The Liverpool loan offers a* gross redemption yield of 13.89 per cent., which is about £2 over Treasury 1980-82, and £1.50 over the 1983 stock—partly explained b ythe size of the issue. The new loan also yields a useful 20p to 25p over recent corporation loans. Unless something nasty happens to the gilt market this week, a premium is expected. Liverpool is, incidentally, one of the few local authorities publicly to make much effort to hold down spending.

Spirella/Vantona

It is a pity that Spirella's bid for Vantona was not couched on a proper merger basis—it seems to be trying to tempt some Vantona shareholders out with cash, via the cash alternative for the Convertible, and it has been a shade mean about the share of the ultimate combined equity being offered. But that is the price Vantona shareholders are paying for the deep split in *their boardroom.*

Those tempted to hold out for more have to bear two problems in mind. First, the divisions within the company — the managing director Dr. John Blackburn again affirmed his support for the deal yesterday in a circular letter—are likely to persist if the deal fails. That might well mean further Board upheavals at a time when, despite the higher profits forecast by the majority faction of the Vantona directors, the outlook for demand is distinctly uncertain. Secondly, there is the highly geared structure of Vantona, with bank borrowings not much reduced from the £4.5m. of last March. Even if *Vantona stays independent its* shareholders could well face some dilution when it comes to financing the next cyclical upturn, particularly in view of the proposed substantial dividend increase.

The merger with Spirella, less highly geared, thus has financial as well as industrial arguments in its favour (though slightly eroded by the cash commitment Spirella has taken through the terms). So t arguments tend to settle favour of acceptance of t offer, which closes to-morrow.

Ferranti

Although the main theme the Government's support Ferranti was announced la May, the small print of t agreement was left till later and will now be scanned for a sign of change at the Depar ment of Industry. It would l wrong to get excited about th appearance of provisions whic spell out what would happen the Government shareholdin were to fall from its prese 62½ per cent. to under a tent since the agreement has to de with every eventuality and th Secretary of State would retai significant powers over th company even if the holdin dropped to as low as 15 pe cent.

However one clause is wort noting—where the Secretar *promises to give "due regan* to the commercial considera *tions" when ruling on an* proposal by the company to sel or shut down any substantia part of the business. This wa not a part of May's settlement Moreover the fact that th company's borrowing facilitie have only been negotiated fo the current year is apparentl intended to suggest that it ha not been given a blank cheque *But the deal still looks* extremely favourable. The £6.3m. Government loan ha been given a 14 per cent coupon, and need not be repaid finally until 1988—the sort o terms which finance directors o wholly viable companies ca only dream about. And th Secretary has maintained th commitment to "take suc steps as may be appropriate with the troubled transforme division if it stands to threate the hoped-for listing of th shares.

Getting rid of problems which have been costing an average of £1.7m. before interest over each of the last five years would be a major step towards putting Ferranti back on the right track. But it is not the whole answer, for the group's net cash outflow has topped £14m. in the past two years. And if the suggestion that the shares may be worth £2 or more by 1978 means anything, then annual net earnings will have to rise to, say, £3m. —or more than ten times the average of the last five years.

DoT warns airlines over commissions

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Department of Trade has *told all the 86 airlines which* fly into and out of the U.K. that unless they can settle among themselves the present problems of "discounting" of air fares and the payment of excessive commissions to travel agents, it will not hesitate to use its powers to stamp out these practices.

The DoT's letter follows that to Pan American last week, requiring that the airline fall into line with the rates of commission approved by Mr. Peter Shore, Secretary for Trade.

That request represented the first use of the DoT's powers to impose on foreign airlines conditions relating to agents' commissions, following confirmation by the Court of Appeal that those powers existed.

The effect of the DoT's latest letter to all the 86 airlines, British and foreign, operating to and from this country, is to point out its growing concern at excessive commission rates and *other malpractices such as offer*ing discounts on some air tickets.

The DoT says: "Although in the short run these benefit some passengers, in the long run they work to the disadvantage of all. They are also having an extremely damaging effect on airline finances, which are already under considerable strain.

"We therefore welcome the initiative of the airlines them*selves, through the 'Operation* Clean-Up' campaign, to eliminate discounting and other malpractices area by area, by common agreement. We also welcome the action that the IATA is taking to strengthen its enforcement machinery.

"We would prefer to see this problem solved by voluntary action and wish these efforts all success. If, however, they should *be unsuccessful, or if a few air*lines stand aside, we shall not hesitate to use the powers that the Court of Appeal have now confirmed."

U.S. unions put ban on grain for Russia

BY ADRIAN DICKS

WASHINGTON, Aug. 18.

THE AFL-CIO trade union *organisation, focus of the strong* political opposition to American grain sales to Russia, decided to-day to ban the loading of all ships earmarked for transport of the 9.8m. tons so far purchased by Moscow this year.

Mr. George Meany, president of AFL-CIO, announced here that members of the International Longshoremen's Association in Houston had this morning been ordered off vessels waiting to take on grain for the USSR.

The ban has been under discussion for several weeks. Soon after the main Soviet orders were revealed the ILA, representing dockers at Gulf, East Coast and Great Lakes ports, voted to give its president, Mr. Thomas Gleason, power to block the shipments unles he was satisfied that there would be no impact on domestic food prices.

It is not entirely clear yet how effective the ILA ban will be in holding up the export shipments. Some grain companies are be*lieved to have shifted operations* already to west coast terminals in both the U.S. and Canada in an effort to defeat it.

At least half

As Mr. Meany's statement today made clear, the U.S. union movement is equally concerned to secure at least half of the trade for U.S. vessels—a propor*tion that would be a major* improvement on the 1972 agreement. Then, they were given one-third, against one-third each for Soviet and third-country shipping.

The Agriculture Secretary, Mr. Earl Butz, has attacked the boycott as inspired principally by this proectionist concern. None the less, anxiety for the food price effects of the Soviet pur*chases is running extremely* high, and there will be close scrutiny of the revised forecasts due to be published by the Department on Thursday.

Labour urges GLC takeover of City

BY PETER FOSTER

A SHARP attack on the "undemocratic" nature of the City of London and a call for its takeover by the Greater London Council have come in a report from the London Labour Party.

Prepared by a special working party of the London Labour Party which included both Sir Reginald Goodwin, Leader of the GLC, and Mr. Illtyd Harrington, his deputy, it recommends that the Corporation of the City of London should be "abolished in its present form" and the City administered by a GLC committee "specifically created for the purpose."

'Out-of-date'

The report, already approved by the London Labour Party executive committee and to be placed before the party's National Executive Committee in September, attacks the City's government as "out-of-date" and "undemocratic," and particularly criticises its ruling body, the Court of Common Council.

The City was left a separate entity when London County Council was expanded in 1963 to take in outer London boroughs and form the Greater London Council.

The arrangement has been *increasingly attacked in recent* years by the London Labour Party, which controls the GLC. The party's manifesto before the April 1973 election asserted that it would "press for legislation aimed at abolishing the City of London as a local government unit." The present report follows a call last year at the London party's annual confer*ence to do away with the City* Corporation.

The report recommends that the City Police become part of the Metropolitan Police and that the Chairman of the GLC take over the functions of the Lord Mayor and assume his title. No additional aldermen would be created, and the functions of the existing aldermen would be decided by the committee.

The working party rejects the notion that the abolition of the City Corporation would shake confidence in the City's financial status. This, it states "is as if one argued that the abolition of the Household Cavalry would *destroy confidence in the* British Army."

In one of its most controversial passages, the report claims that City rates are too low. "The City, by charging low rates, cost London in 1973-74 and 1974-75 some £56m. in lost rateable revenue which would otherwise have been raised."

It claims that £31.6m. was "lost" to London ratepayers last year as a result of the separate establishment of the City: Middle and Inner Temple: and the City of London Police.

The report brought a rapid response yesterday from Mr. Norman Hall, chairman of the City Corporation's Policy and Parliamentary Committee, who sharply denied its claim that the City was so rich it could afford to charge low rates. He declared: "The authors of the report have obviously not read the Corporation's submission to the Layfield Committee in which the point was made that the rateable value of commercial property in the City was so high that the rates collected were vast, and threatened to drive businesses from the City."

'Horrifying'

A spokesman for the London Chamber of Commerce condemned the report's recommendations, saying that there were already signs that both small businesses and some international firms were moving out of the City because of costs.

Mr. Christopher Tugendhat, Conservative MP for the Cities of London and Westminster South, described the proposals as "horrifying." He said: "The City is one of the most efficient local authorities in the country."

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